EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

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MANAGEMENT
The value of team-work
Page 8

World News

UK operators withdraw airliners after crash

UK operators temporarily withdrew from service Boeing 737-400 aircraft of the type involved in the British Midland crash in central Britain on Sunday night. Sabotage seemed increasingly unlikely to have caused the crash in which 46 of the 126 people on board died. Page 16

Shia militias fight on
Fierce fighting continued between rival Shia militias in southern Lebanon where police said at least 80 people had been killed and 200 wounded in "horrific massacres" since Sunday morning.

Afghan talks fail
Pakistan-based Afghan rebel groups broke off talks with the Soviet Union over the future of Afghanistan after the last Soviet troops leave on February 15. In Kabul the authorities announced a crackdown on food hoarders, apparently in response to a rebel blockade of the capital. Background, Page 4

Belgian devolution
Belgium's Chamber of Deputies approved legislation giving the country's separate French- and Flemish-speaking communities a wide measure of autonomy over public spending.

Morocco-Syria ties
Morocco and Syria announced the restoration of diplomatic ties, broken in July 1986 after King Hassan met the then Israeli Prime Minister Shimon Peres.

Philippine killings
At least 13 people were killed when two hand grenades were thrown into the crowd at a charity basketball game in a mainly Christian town in southern Philippines. Local police blamed Moslem separatists. Page 4

Palestinian strike
Palestinians staged a general strike in the occupied West Bank and Gaza Strip to mark the 14th month of an uprising against Israeli military rule. Banks pull out, Page 4

Cyprus proposals
Turkish-Cypriot leader Rauf Denktash put forward new constitutional proposals during UN-sponsored talks in Nicosia, aimed at reuniting the island.

Indian troops leave
India withdrew a second battalion of troops from Sri Lanka and said that more would follow as soon as peace was restored in areas affected by Tamil separatist violence.

Vietnam-Thai thaw
Thai Foreign Minister Siddhi Savetsila began a four-day visit to Vietnam, marking a reversal of more than a decade's mutual mistrust and bringing closer an end to the conflict in Kampuchea. Page 4

Security talks at risk
Greece stood firm in a dispute with Turkey which could delay both talks on conventional arms in Europe and signature of an important East-West security and human rights accord. Page 16

Czech suicide threat
A Czech student group said one of its members would set himself ablaze in Prague later this week, on the 20th anniversary of the suicide by Jan Palach in protest against the 1968 Soviet-led invasion of Czechoslovakia.

Business Summary

De Benedetti subsidiary builds stake in De La Rue

SOCIETE Financière de Genève, Swiss holding company controlled by Italian businessman Carlo de Benedetti, has accumulated 4.9 per cent stake in De La Rue, UK financial printing company. Mr De Benedetti has being showing greater interest in UK since his aborted attempt last year to gain control of *Société Générale de Belgique*. Page 17

AMERICAN Barrick Resources, Toronto-based gold producer, plans to quintuple annual production at its Goldstrike Mine in Nevada to 900,000 oz in 1992, transforming it into one of largest gold mines in North America. Page 18

ITALY'S state-owned Finmeccanica group and Asea Brown Boveri, Swedish-Swiss group, are on point of agreement on deal which would pool their Italian power generation assets in company with annual turnover of around $1bn. Page 17

EUROPEAN Commission has expressed preliminary view that it does not intend to intervene in proposed £780m ($1.4bn) merger of Metalbox Packaging, packaging business of MB Group, with Carnaud, French packaging company. Page 17

EAST GERMANY, one of Comecon's last advocates of strict central planning, reported 3 per cent economic growth for last year, below planned target for fourth year in succession. Page 2

INDONESIA has unveiled first expansionary budget for three years in bid to stimulate domestic growth and provide jobs in South-East Asia's largest economy. Page 4

KOOR Industries, Israel's largest company, agreed to sell its minority shareholding in Teva, country's leading pharmaceuticals producer, to local consortium for $38m in effort to raise desperately needed cash. Page 18

NATIONAL Semiconductor announced agreement to sell 50 per cent stake in its National Advanced Systems plug-compatible computer subsidiary to Memorex Telex. NAS will become independent joint venture company equally owned by both parties. Page 18

POLAROID stock fell sharply in response to ruling by Delaware's Chancery Court that could block Shamrock Holdings' $2.75bn takeover bid. Page 18

BROKEN Hill Proprietary (BHP), Australian resources multinational, acted to expand Pacific energy presence and move downstream through $378m acquisition of Pacific Resources, Honolulu-based oil refining and marketing company. Page 19

PERUVIAN mineworkers could strike later this month if wages are not adjusted to meet rising cost of living. Strikes reduced copper production by state-owned Centromin mining company by nearly a quarter last year. Page 26

The Growing Business
Many of the problems and preoccupations of small businesses are common to medium-sized companies. This has been increasingly reflected in the coverage of the Tuesday Small Business page, which from today is re-titled Management: The Growing Business, in recognition of this. Issues of relevance to small companies alone will continue to be analysed on the page. Management: The Growing Business. Page 10

Rival groups try to agree structure of bid for GEC

By Hugo Dixon and Clay Harris in London

PROSPECTIVE bidders for Britain's General Electric Company were yesterday trying to agree on the structure of a consortium takeover offer for the UK industrial giant. With GEC valued at £5.9bn ($10.3bn) in the stock market yesterday, the bid would be the largest takeover ever attempted in the UK.

Two rival camps had emerged last night. One centres on Plessey, the UK electronics group which is facing a £1.7bn hostile bid from GEC and Siemens, its West Germany partner. This group includes Thomson, the French electronics group, and, if it were to proceed to an official bid, would take in STC, Britain's second largest electronics company.

The rival grouping centres on General Electric of the US, which is interested in GEC's power generation and medical equipment businesses.

Although not opposed to the Plessey-led consortium, GE is not convinced that the latter's plan could succeed and is trying to woo STC to its side.

GE's alternative approach is understood not to involve creating a rival consortium, but a different structure for the bid which gives it a greater role.

One of the sticking points between the two camps is the Plessey-led consortium's determination to keep the role of non-UK participants to a minimum. This is intended to overcome objections that the bid is a foreign carve-up.

In other developments yesterday:

● The Office of Fair Trading confirmed it would, in accordance with normal practice, study any bid for GEC before making a recommendation to Lord Young, Trade and Industry Secretary, about a possible reference to the Monopolies and Mergers Commission.

● The European Commission said it expected shortly to receive a submission from the potential bidders and to make a ruling within a week on the GEC/Siemens offer for Plessey.

● GEC's shares jumped 19p to close at 221p, on the first trading day after Lazard Brothers, Plessey's merchant bank, and Barclays, the clearing bank trying to put together £3.5bn of financing, disclosed the possibility of a bid.

● GEC denounced the proposal as a "spoiling tactic" intended to disrupt the Plessey bid, but indicated that it did not intend to dismiss Barclays de Zoete Wedd as one of its stockbrokers despite the parent bank's role on the other side.

● Société Générale, the French bank with close links to one of GEC's newest industrial partners, Compagnie Générale d'Electricité, said it had received and rejected on Friday night an offer to participate in the Barclays financing. GEC confirmed it had learned about the financing from a French source.

GE's doubts about the Plessey plan's chances of success were mirrored in the City of Continued on Page 16

Editorial comment, Page 14; Lex, Page 16; Background, Page 24

Reagan sends $1,500bn budget plan to Congress

By Stewart Fleming and Anthony Harris in Washington

US PRESIDENT Ronald Reagan yesterday sent Congress a $1,500bn budget proposal for the 1990 fiscal year which remained true to his political priorities during his eight years in office, but which also contained hints of the changes likely to be sought by Mr George Bush, his successor.

Mr Bush, who takes office on January 20, is expected to submit an alternative budget soon after, which will trigger a debate over national spending priorities between the White House and the Democrat-controlled Congress.

The Democrats plan to test Mr Bush's commitment to increased spending on education, the environmemt and child care. Some argue that these priorities cannot be addressed without raising taxes and few expect the final shape of the budget to be resolved before the autumn.

Mr Reagan's budget foresees revenues of $1,060bn and points optimistically to a deficit of $92.5bn, down from the $161.5bn expected for the current fiscal year and comfortably below the $100bn maximum deficit permitted under the Gramm-Rudman-Hollings budget deficit legislation.

Achievement of this target, however, depends a lot on optimistic economic forecasts. Some of these have already raised questions, notably the assumption that interest rates on three-month Treasury bills will average 5.5 per cent for most of the 1990 calendar year.

Mr David Stockman, Mr Reagan's first Budget Director, said last night that the budget was "not significant at all" and that the Bush proposal for a flexible freeze was "a campaign slogan that has nothing to do with the reality of the budget."

Appearing on television as the budget was announced, Mr Stockman pointed out that he had first put forward many of the proposals in it six or seven years ago but they had repeatedly been reviewed and rejected.

Mr Bush has indicated that he will adhere to the Reagan economic assumptions, making it easier for him to propose an alternative budget involving increased spending to cover his priorities without having to concede a tax increase.

Mr Bush's proposals are expected to differ sharply from those of Mr Reagan in defence spending – for which the outgoing President will be remembered for his $2trillion (million million) military build-up. Mr Reagan is calling for continued real growth of 2 per cent on defence spending, but Mr Bush is expected to seek no real increase.

One new initiative in the national security area as outlined in Mr Reagan's budget is a proposal that the US should provide $200m in support to the Philippines as part of an international aid package.

Continued on Page 16

US economic outlook, budget outline, Page 3

Israel hints it keeps chemical weapons as defensive measure

By Edward Mortimer in Paris

AN ISRAELI minister said on the third day of the Paris Conference on Chemical Weapons that Israel was "taking the necessary action" to defend itself against similar weapons held by other states in the region. This was widely interpreted as an admission that his country possesses chemical weapons.

Other developments at the conference, which was long on point-scoring and rather short on substantive progress, included Libya denouncing US "calumny," Israel proposing a chemical weapon-free zone in the Middle East, and South Africa suggesting the same in Africa, while Syria countered with the offer of a "zone free of weapons of mass destruction."

Meanwhile, behind the closed doors of the Committee of the Whole, charged with drafting a political statement to be issued at the end of the conference, the situation was "bleak", according to Mr William Waldegrave, the British Foreign Minister, owing to Arab efforts to link chemical and nuclear weapons.

"We and the Russians believe that that way hopeless impasse lies," said Mr Waldegrave, perhaps unintentionally emphasizing the extent to which the conference is divided on North-South rather than East-West lines.

He added, however, that he regarded such a deadlock as quite normal two days before the end of the conference, and that the production of a final communique was not, in his view, the most useful thing the conference would do.

The Israeli near-admission of producing and stocking chemical weapons came in a press conference given by Mr Moshe Arens, the Foreign Minister.

He had said that such weapons had recently been used, not against Israel but "in the region in which we live, by countries that maintain a state of war with Israel: Libya in the fighting in Chad, and Iraq in the war against Iran."

"Facing that threat, Israel will take the necessary steps to be able to respond . . . Of course Israel is taking the necessary preparatory action to defend itself."

Mr Jadalla Azouz Ettalhi, the Libyan Foreign Minister accused the US of "launching vile campaigns of calumny against others on the basis of accusations which are clearly false." This was the nearest he came to alluding directly to the alleged chemical weapons factory at Rabta.

● The US accused three more companies of helping Libya and Iraq to build chemical weapons plants, according to West German government sources, Reuter reports from Bonn. One of them, Preussag, the energy and minerals group, said it had built a water purification plant 5km from Rabta, site of the alleged Libyan chemical weapons plant.

World Bank to oversee concessional aid flows to Nigeria

By Peter Montagnon in London

THE WORLD BANK is to form an international committee to co-ordinate flows of development aid to Nigeria following its plunge in living standards which took per capita economic output to just $370 last year from around $1,000 at the turn of the decade.

A mandate to establish the committee was agreed yesterday at an informal conference of donors in London. It will be along the lines of World Bank-sponsored donor groups already in place for Indonesia and India. The move will help generate steady concessional aid to Nigeria and allow the creation of long-term programmes in key areas such as population control, environment and agriculture, which development specialists say are crucial to its economic recovery.

The decline in living standards, due to slumping oil prices and a long history of economic mismanagement, means Nigeria ranks with the poorest countries entitled to concessional assistance from the World Bank's International Development Association (IDA) affiliate.

Participants at yesterday's meeting said they hoped the move would also help the government of President Ibrahim Babangida push through its tough new austerity programme agreed with the International Monetary Fund.

Aid pledges for this year agreed at the meeting exceeded the $300m trigger point set by Britain for its previously announced $100m pledge. According to Mr Caio Koch-Weser, who chaired the discussion, this means that Nigeria's residual financing gap for 1989 has been "substantially filled."

The meeting was attended by representatives of the group of seven richest industrial nations as well as the European Community, African Development Bank and other multilateral organisations.

Some countries said they were holding back on their pledges for internal budgetary reasons or because they are waiting for Nigeria to reach a rescheduling agreement through the Paris Club.

Nigeria is counting on this process to produce further offers of export credit finance in addition to aid pledges, but it will only get under way once the board of the International Monetary Fund has endorsed its new economic programme.

Nikkei surges despite death of Emperor

By Michiyo Nakamoto in Tokyo

JAPANESE share prices rose strongly yesterday with the Nikkei index closing at a record 30,678.39, up 468.85, confounding expectations of a fall on the first day of trading following the death of Emperor Hirohito.

Investors had long ceased to expect the Emperor's death to have a major impact on the market. But brokers had pledged to refrain from active dealing in keeping with the mood of national grief, and market activity was therefore expected to be restrained during the first few days of mourning. This in turn was expected to depress share prices.

In the event, prices began rising almost as soon as trading opened, while the volume of trading reached a robust 1.17bn shares by the close. Buying interest was widespread, reflecting a bullish tone overall.

"We are all surprised by this," said Mr George Nimmo, manager of equity sales at SBCI Securities Asia.

Others noted, however, that the Emperor's demise had little to do with market fundamentals, while his long illness had given investors ample time to prepare for the event.

One interpretation of the market's rise was that investors were extending a warm welcome to the new Emperor and celebrating the inauguration of the new era.

None the less, one equity salesman remarked: "You would have expected some measure of restraint."

The biggest rise was in shares of Ishikawa Seisakusho, a maker of textile machines and military explosives. They were up nearly a fifth, by Y200 to Y1,230, despite the new Emperor's assurances that he would preserve Japan's Western-imposed pacificist constitution.

Yesterday's rise indicated that investors were hopeful for the near future. Mr Misai Maehara, deputy manager of the equity department at Nikko Securities, said: "We're hearing talk of the Nikkei reaching 33,000 or 34,000 within the month."

Markets: Section II

Banks' intervention curbs soaring dollar

By Janet Bush in New York and **Simon Holberton** in London

THE DOLLAR finally succumbed to repeated intervention by central banks on both sides of the Atlantic yesterday in one of the most active trading days of the New Year.

The US currency had withstood the force of the intervention during the European trading day, but then fell in New York trading, although modestly.

The Bundesbank, the West German central bank, entered the open market twice and the Federal Reserve Board, its US counterpart, several times – but the intervention was described as modest.

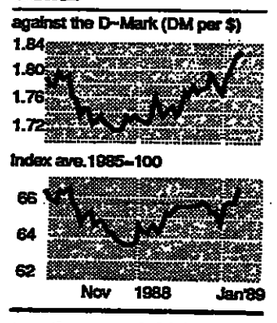
In London, the dollar finished 1.4 pfennigs up at DM1.8280 and 1.65 cents ahead at $1.7635 against the pound. In late New York trading, it was quoted at DM1.8210, compared with an earlier high of DM1.8350, and at Y125.95, compared with an earlier high of Y126.75.

The dollar has risen sharply to a three-month high over the past week, on strong corporate demand and considerable speculative activity.

It rallied very strongly last week on remarks by Mr Helmut Schlesinger, vice-president of the Bundesbank, which were interpreted as evidence that Continued on Page 16

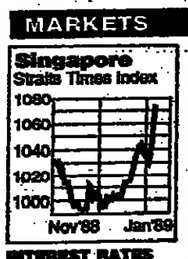
Money markets, Section II

Dollar



MARKETS

Singapore
Straits Times Index



INTEREST RATES
US lunchtime
Federal Funds 9 3/16% (9 3/16)
3-mth Treasury Bills: yield: 8.54% (8.55)
Long Bond: 99 3/4 (99 5/8) yield: 9.02% (9.03)
London
3-month Interbank: close 13 3/16% (same)

STERLING
New York close
$1.7740 (1.7805)
London:
$1.7635 (1.78)
DM3.2225 (3.2300)
FFr10.9875 (11.0150)
SFr2.7450 (2.7550)
Y223.0 (225.0)

DOLLAR
New York close
DM1.8205 (1.81385)
FFr6.19965 (6.1775)
SFr1.5510 (1.544)
Y125.975 (126.4)
London:
DM1.8280 (1.8140)
FFr6.2300 (6.1875)
SFr1.5570 (1.5475)
Y126.45 (126.65)

GOLD
New York latest
Comex Feb
$408.2 (408.1)

STOCK INDICES
New York close
Dow Jones Ind. Av.
2,199.46 (+5.17)
S&P Comp
260.93 (+0.28)
London:
FT-SE 100
1,831.5 (+20.2)
World:
139.49 (Fri)
Tokyo
Nikkei Ave
30,678.39 (+468.85)
Frankfurt
Commerzbank
1,702.0 (+12.2)

OIL
Brent 15-day (Argus)
$16.3 (+.075) (Feb)
West Tex Crude
$17.775 (+0.12) (Feb)

CONTENTS

A government in uniform waits in the wings for Argentina

President Raul Alfonsin finds himself at the head of a government everyone knows but few love; while the armed forces can choose whether to obey or not as he struggles with enormous economic and political problems Page 2

EUROPEAN NEWS

Employers want more say over 1992 proposals

By David Buchan in Brussels

EUROPE'S MAIN employers' federation yesterday appealed to the newly-installed European Commission for closer consultation on new proposals by Brussels which, under the programme to forge a single market by 1992, are passing into EC legislation more quickly than ever.

The plea is in a memorandum by Unice, the main umbrella grouping of national European employers' federations.

Unice, whose 1984 programme was remarkably in tune with the business deregulation plans of the last Commission, appealed to Brussels to make completion of the internal market its prime goal for the next four years, and to avoid any harmonisation not directly relevant to achieving free movement in goods, services, money and people.

However, Unice notes that market forces should not be allowed to increase current national or social disparities inside the EC. Therefore, it urges more *efficient use of* structural economic aid by involving private investors more in the development of poorer regions, and endorses EC social action limited to improving worker health, safety, training and mobility.

Mr Zygmunt Tyskiewicz, Unice's secretary-general, said yesterday he expected these issues to dominate a new round of the European "social dialogue" which Mr Jacques Delors, the Commission president, is to inaugurate here on Thursday between Unice and the European Trade Union Confederation (Etuc). They were perfectly acceptable to Unice, which recognised that health and safety improvements were an absolute requirement, and that many industries suffered from a chronic skill shortage.

But, much as the unions might like to turn this social dialogue into a negotiating forum, Mr Tyskiewicz said, neither Unice nor the Etuc had such a mandate from their national constituents. Collective bargaining at the European level would work to the disadvantage of less developed and efficient EC member states which often needed lower wages to offset the higher productivity of their richer rivals.

On external trade, the Unice memorandum represents a careful balance between its northern members' free-trade sentiments and the protectionist inclinations found more frequently in the south. It backs the Commission's request for reciprocal access to markets of EC trading partners.

But, reflecting its European Free Trade Association (Efta) as well as EC membership, Unice puts special stress on creating "an economic space embracing all Western Europe", and supports any Efta member country application for EC membership. However, it warns that Efta governments *should not only* approximate their legislation with EC rules but also use the same criteria as Brussels does in controlling state aids to companies. Otherwise, competition in the wider European market risks distortion.

Italy's top communists advance on the old foe

By John Wyles in Rome

IT WAS almost like old times at Italian Communist Party headquarters yesterday with the scent of battle against the old enemy, Mr Gianni Agnelli's Fiat, hanging heavy in the air and delegates from Fiat plants all around the country in emergency consultations with the *leadership*.

In late afternoon Mr Achille Occhetto, the party leader, left a meeting with these, his field commanders, to inform a crowded news conference that the PCI was preparing for "an important battle" in defence of its belief that "democracy does not stop at the factory gates."

Belligerent language and the odd rhetorical punch were, however, the only real points of similarity between the bitter clashes with Fiat of the 1970s and the storm which has broken in the past few days over alleged "anti-union policies" which Italy's largest private sector company is said to be *pursuing*.

Largely absent from the stage is the rank and file workforce whose rights are said to be so remorselessly under attack.

Mr Occhetto, a pocket-sized general with the mien of a friendly bank manager, did not sound too confident that the footsoldiers were behind him when it was pointed that there had been no spontaneous work *stoppages nor demonstrations* by workers desperate to retain their union cards. "Every army has to have its generals and officers," he said with a well-honed defensive instinct.

Sitting to his left, sporting a pert little blue bow tie was 33-year-old Mr Walter Molinaro, secretary of the PCI's Ho Chi Minh section at the Alfa-Lancia plant at Arese near Milan. A serious, bespectacled technician, Mr Molinaro claims that he was offered promotion by the company's management if he would tear up his union card.

The manager in question has launched a court case against Mr Molinaro to underline his denial of this version of events. But Mr Occhetto and his colleagues claimed that there are other names and cases to be cited of Fiat's attempt to suppress the unions. Mr Cesare Annibaldi, who runs Fiat's industrial relations, will no doubt offer other explanations at a press conference today for the fact that, according to the *PCI, the number of section* supervisers belonging to the CGIL metalworkers union at Arese has dropped from 180 in 1986 to a lonely two.

That there has been a reversal in the balance of power between management and unions at Fiat is undeniable. The latter boast no more than a 20 per cent rate of membership in most plants and even the union majority which once existed at Arese has now fallen to around 40 per cent of the workforce.

Mr Occhetto characterised the problem yesterday as a conflict "between an authoritarian managment and a new intellectual working class which has a delicate role in the productive process."

Determined to rebuild support for his party on the basis of extending "citizens' rights," the PCI leader has ensured that Fiat's relations with the unions are becoming a national political issue.

Always anxious that the party may eventually find a really popular cause, the Socialist party has mobilised Mr Rino Formica, its labour minister. He will report to Parliament this week on the results of his own inquiries into Fiat's union policies.

Gloomy forecast for Sweden

By Robert Taylor in Stockholm

THE SWEDISH economy looks set to deteriorate this year, combining a loss of cost competitiveness, a lower growth rate, a widening balance of payments deficit, stagnating investment and continuing poor productivity.

This is the rather gloomy annual forecast from the Federation of Swedish Industry published yesterday on the eve of the 1989 budget statement.

It is far more pessimistic than the prognoses made towards the end of last year by the banks and other professional forecasting bodies, and the forecasts to be presented today by Mr Kjell-Olof Feldt, the Finance Minister. However, it appears to reflect a deepening anxiety across industry.

The federation, which represents Sweden's main private manufacturing companies, calls for a range of supply side policies to cut industrial costs as a way of easing the economic overheating.

The forecast suggests that Sweden's gross national product will go up by only 1 per cent this year, compared with 2.5 per cent in 1988; the Finance Ministry is forecasting 2 per cent. It expects the rate of both private and public consumption to rise by 1.5 per cent, compared with 2.8 and 1.5 per cent respectively last year.

A deterioration is also predicted in export performance. The rate of visible exports will *only show a 1.5 per cent* improvement this year, according to the report, against 3.7 per cent in 1988, while the figure for services will be 4 per cent (7.8 per cent).

A further decline in Sweden's balance of payments deficit is also predicted for 1989, from SKr9.8bn (£890m) to SKr13.4bn, though the balance of visible trade looks set to improve from SKr25bn to SKr27.5bn.

The federation believes there will be a marked slowing in the rate of growth in manufacturing production, with a rise of only 1.5 per cent compared with 3.5 per cent last year. Investment in industry is expected to enjoy an increase of 4.6 per cent this year (8 per cent) with a decline in the construction investment rate.

There is some gloom about inflation as well. The federation expects consumer prices to rise by 7 per cent, up one percentage point.

A relatively bleak picture is painted of the international scene, particularly in the US, where it expects the dollar to go down, inflation to rise, gross national product growth to slow, and only a very modest improvement in the trade deficit.

But the report is also concerned at what it regards as Sweden's own problem of relatively low productivity, which has persisted through the 1980s with an annual growth rate of only 1.2 per cent.

French stock exchange watchdog under fire

By George Graham in Paris

FRANCE'S stock exchange watchdog, the Commission des Operations de Bourse (COB), is coming under increasing pressure in the wake of a widening political scandal over insider dealing.

Finance Ministry officials are openly questioning the capacity of Mr Jean Farge, named chairman of the COB only last July, to handle the investigation into possible insider trading before the announcement in November by the French aluminium producer Pechiney that it had agreed to buy the US packaging group ANC from Triangle Industries.

The COB's powers and resources have gradually been increased over recent years, as its staff has nearly doubled to 150, including five investigating magistrates.

Its critics, however, say that it has consistently lagged two steps behind the rapid development of France's financial markets. Mr Yves Le Portz, Mr Farge's predecessor as chairman of the COB is now engaged on a report on how the authority's powers should be enlarged.

Some aides to Mr Pierre Beregovoy, the Finance Minister, are arguing for Mr Farge's rapid replacement by a more aggressive chairman.

His recent illnesses would make this easier to accomplish, although the move would still be likely to face widespread political condemnation.

Several large purchases of Triangle shares were made from France shortly before the Pechiney announcement, and the COB, informed by the *Securities and Exchange Commission*, the US regulatory authority, launched an investigation.

Several of those who have appeared before the COB have been linked to the current Socialist Government. One is said to be a close personal friend of President François Mitterrand.

No purchases, however, have been tied to any of the handful of government officials who knew in advance about the Pechiney purchase, and French stock exchange law takes a restrictive view of who exactly is an insider.

Although the definition was tightened up in new legislation a year ago, providing a maximum penalty of two years in prison and a fine of four times the profit realised, the COB has in the past experienced acute difficulties in persuading the French courts to accept charges of insider dealing.

Moscow attempts to spur Soviet creative talents

By Quentin Peel in Moscow

THE SOVIET UNION has drafted a new law to protect intellectual property and create a licensing system for inventions, in an urgent effort to boost flagging investment in new technologies.

The aim of the law is to create a genuine market for patents of new processes, with a financial incentive both for inventors, and for those enterprises investing in them. All the rights of Soviet patent holders would also be guaranteed to foreign patents, a top Soviet official said yesterday.

Mr Ivan Nayashkov, chairman of the Soviet state committee on inventions and discoveries, said the pace of innovation had stagnated in Soviet industry in the the past decade, because of inadequate incentives.

"Inventors did not get remuneration because their enterprises did not use their inventions," he said. "The system did not provide any interest for scientists or inventors."

He said the existence of "totally centralised planning" had made it very difficult to find any genuine form of protection for individual inventors or enterprises.

Over the past decade, the number of inventions submitted for registration, and the number actually applied in industry, had fallen. For the past four years it had simply stagnated, he said.

Only 500 Soviet licences had been sold abroad in 10 years, compared with "several thousand" in previous decades.

New deals offered by the draft law – now being submitted for public debate – include a three-year tax holiday on the income from investment in inventions.

Venture banks will be established especially to encourage inventions, while a "state patents fund" is intended to provide loans for those seeking to apply them.

The law would also provide for a patents tribunal to resolve disputes between individual inventors and enterprises using their discoveries.

For the first time, Mr Nayashkov said, it will also provide for patents for inventions of new chemical agents and compounds, one of the fastest growing fields of discovery.

However critics say the definition of inventions is too rigid, excluding many technical innovations from the same sort of protection.

Nationalist leaders held in Armenia crackdown

By Bruce Clark

THE SOVIET authorities, preparing to give their final word on the bloody dispute between Armenia and Azerbaijan, have intensified their crackdown on the Armenian nationalist movement. They have detained the four leading activists still at liberty.

An Armenian campaigner told the Associated Press that soldiers had arrested 12 guests at a private gathering in Yerevan, the republic's capital, on *Saturday night, Armenian* Christmas Eve.

All were active nationalists, and four were members of the Karabakh committee, the group of prominent people who last year co-ordinated huge rallies to call for the transfer of Nagorno-Karabakh, an Armenian-populated enclave, from Azerbaijan to Armenia.

Western Armenians said they believed the committee's seven other members had *all* been in detention since the authorities moved to muzzle the nationalists after the December 7 earthquake.

Mr Mikhail Gorbachev has said a politburo commission, established to study the dispute after a surge of unrest in November, will meet representatives of Armenia and Azerbaijan tomorrow and "wrap up discussion of this sore point."

Activists in the West said the latest arrests came as a shock, since several campaigners were released last week, and the 30-day detention orders served on at least four committee members in December should expire today.

The authorities may have been concerned to pre-empt an upsurge of unrest after the results of tomorrow's meeting are announced.

The Soviet press has raised the death toll from violence in November and December to 43, bringing to at least 78 the number known to have been killed in unrest in Armenia and Azerbaijan last year.

There is reported to be deep resentment in Yerevan over the arrest of the committee, which wielded huge influence during its heyday last year.

Since the earthquake, Mr Gorbachev has expressed intense irritation with nationalists in Armenia and Azerbaijan. In Yerevan last month, he lashed the Karabakh committee for spreading rumours that children orphaned by the earthquake would be sent for adoption in other republics.

Shamir assails Italian 'bias'

By Alan Friedman in Milan

ITALY'S foreign policy in the Middle East has come under blistering attack from Mr Yitzhak Shamir, Israel's Prime Minister, who has accused Italian politicians and the country's news media of a bias towards the Palestine Liberation Organisation (PLO).

"Almost all the political parties in Italy are passionately biased in favour of the PLO," he said in an interview with an Italian magazine. This lack of neutrality meant that Rome could not expect to play a mediating role in the Middle East.

Although Mr Shamir did not name Mr Giulio Andreotti, Italy's Foreign Minister, who has traditionally had close ties to both the PLO and a wide range of Arab leaders, the message was clear.

He called Mr Andreotti's policy of maintaining good relations with all sides, including the PLO, "a genuine exaggeration" and said that the Italians "have always only one idea in mind, namely, that we should leave everything to the Palestinians."

He repeated his view that "we will never negotiate with the PLO" and said that there would never be a Palestinian state.

Mr Shamir attacked more than government policy, however. "Not just the politicians, but the press and public opinion have a biased attitude in favour of the PLO," he said.

A poll for La Repubblica, the Rome daily newspaper, showed yesterday that 64 per cent of Italians surveyed condemned the shooting last week down of two Libyan fighter aircraft by the US.

The US action was followed this week by a sit-down protest outside the US embassy in Rome.

Mr Andreotti, meanwhile, has succeeded in having his foreign policy views on the conflict between the US and Libya endorsed by the Italian cabinet, which has called on all parties "to abstain from military action in the Mediterranean."

Bonn approves nuclear exports

WEST GERMANY said yesterday that it had authorised exports to nuclear power plants in India and Pakistan by electronics giant Siemens, Reuter reports from Bonn.

Questions about the sales had been raised in West Germany following recent scandals over alleged illegal nuclear exports by other West German companies to South Africa, India and Pakistan.

The Economics Ministry said that the Indian Tarapur plant and the Pakistani Kanupp plant supplied by Siemens were both supervised by the Vienna-based International Atomic Energy Organisation, which meant it was legal to supply equipment.

AMERICAN NEWS

Military power clouds outlook for Argentina

Gary Mead, in Buenos Aires, assesses the dilemma facing President Alfonsin

ARGENTINA faces an exceptionally difficult 1989, not least because everybody has failed to acknowledge the political reality of the existence of two governments.

There is the government of President Raul Alfonsin and, in spite of the president's pretence of toughness following the recent army rebellion, there is a government which wears *uniforms* and holds no elected office. Understandably, few wish to recognise the second power in the land.

Even the Peronists, who rarely miss a chance to point up governmental embarrassments, are pretending that civilian authority has been tarnished, not toppled. This is in spite of the party's presidential candidate, Mr Carlos Menem, having ties with Colonel Mohamed Ali Seineldin who led last month's rebellion and was close to those instigating the two previous revolts over the past 18 months.

A suspicion remains, nevertheless, that Mr Menem might *not be too unhappy with the* new status quo. But if he is to be the victor in next May's Presidential elections his ambiguity towards the armed forces could well cause him problems.

To many Argentines it is clear that, while the President can give all the orders he likes as head of the armed forces, the military chooses whether or not to obey. So far, however, the military has shied away *from forcing Mr Alfonsin out of* office and assuming direct responsibility for Argentina's enormous economic and political problems.

But Mr Alfonsin's martyrdom is still an option, according to the rebels, if he refuses to abide by the pact signed between army chief of staff General Jose Dante Caridi and Col Seineldin.

Gen Caridi was ordered by Mr Alfonsin to suppress the rebels by force on the second night of the mutiny, December 3. If normal military discipline had prevailed Gen Caridi's failure to do so would have *resulted in his immediate dis*grace. Instead, he later gave radio and newspaper interviews describing his sympathy with Col Seineldin's demands even though one of those demands was the departure of Gen Caridi before December 23.

This may have helped Gen Caridi make some sort of peace with his fellow officers whom he had previously antagonised by appearing as the President's man. But *it certainly did not* help the government who was obliged to force his retirement at the end of the month.

The breach in the Government's credibility has now been made. President Alfonsin has caved into rebel demands without either fully giving them what they want, or reasserting his own authority.

Under duress and threat he has *chosen Gen Francisco Gassino*, as army chief of staff – an officer whose dealings with a disgruntled military establishment will, sooner or later, lead to another and possibly more threatening revolt.

Gen Gassino, the former head of the Military Institute, is regarded by the rebels as a leather-chair officer, a time-server more interested in career than the vindication of the army for its fight against communism in the late 1970s.

The rebels want not only an amnesty for all officers now in prison or awaiting trial for alleged human rights abuses during the "dirty war" of the *late 1970's. They also want a* vindication of their role during that period, when at least 9,000 people disappeared, many more were tortured and jailed, and gunfire regularly raged through Buenos Aires' streets. Left-wing parties wil have no truck with any such amnesty.

President Alfonsin is caught in this ungovernable dilemma. If he stands against further rebel demands not a single soldier is likely to lift a finger to save him.

Both Argentine and Western diplomatic circles are highly critical of Mr Alfonsin, not only for his Government's failure to face down the army's demands. A further and growing criticism is the degree of corruption that appears to be seeping into some of the higher circles of that same Government.

Five years in government is sufficient time to begin to weed out severe high level corruption and to re-order the economy along lines which encourage efficiency rather than, as today, graft. In addition, one crucial reason for the military's confidence is that they know the mass of civilians have lost faith in Mr Alfonsin. His government's greatest failure is not to have shown ordinary Argentines that democracy can not only give intellectual and cultural freedoms, but can also be honest and law-abiding.

Perhaps the bleakest comment came from an Argentine friend, when asked how President Alfonsin may try to justify his apparent volte-face: "As usual when there is a difference of opinion we don't sit down and try to reach a compromise. We try to find ways of persuading ourselves that not only is our side right, but, of course, it's going to win".

Minister seeks aid to tackle energy crisis

By Janette Staubus in Buenos Aires

MR Rodolfo Terragno, Argentina's Public Works Minister, will today meet Mr David Waller, US Under-Secretary for International Energy Affairs, in Washington in an attempt to obtain emergency power generators and financial aid to alleviate his country's worsening energy crisis.

Yesterday Mr Terragno met Mr Peter Bottellier of the World Bank to request credit to finish construction of the Piedrabuena power plant in Bahia Blanca, south-west of Buenos Aires.

Argentina's most critical energy shortage this century has been caused by drought, shutting down many hydroelectric plants which normally supply 43.8 per cent of the country's energy, and poor maintenance of power production sites. Fresh plant closures are announced every week. As the country slowed virtually to a standstill last week, President Raúl Alfonsín declared a state of emergency.

Daily six-hour power cuts have been extended to weekends. To save electricity, government workers were given days off last Friday and yesterday. Traffic lights are out in Buenos Aires, causing traffic jams and accidents, and television broadcasting has been reduced to four hours a day.

The President has said that *the crisis will continue for at* least two months and most energy analysts predict it will be for longer.

Supreme Court upholds ruling on Dow lawsuits

THE Supreme Court has let stand a federal judge's ruling dismissing hundreds of personal injury lawsuits potentially worth millions of dollars against a unit of Dow Chemical Co, AP-DJ reports from Washington.

The lawsuits were filed against Merrell Dow Pharmaceuticals Inc, which manufactured Bendectin, an anti-nausea drug once used by women during pregnancy. The suits, and dozens more filed around the country, allege that use of Bendectin during pregnancy caused birth defects.

Dow withdrew Bendectin from worldwide sale in 1983 as a result of the suits. The drug had first gone on sale in 1956 and had been available in many countries besides America, including Britain, Australia and Canada.

Many of the cases filed were consolidated in a federal court in Cincinnati, where a jury concluded in March 1985 that there was insufficient proof that the drug caused the birth defects.

Last August, a federal appeals court, also in Cincinnati, upheld the jury verdict, bringing to a close the major portion of the Bendectin cases against Merrell Dow.

France launches search for new financial centre

The Government aims to reverse the industry's trend towards decentralisation, writes George Graham

AT A TIME when the City is moving to the Docklands and Wall Street to New Jersey, will Paris's scattered financial institutions finally move together into a single centre?

Mr Pierre Bérégovoy, the Finance Minister, thinks it is about time something was done, and in time-honoured French fashion, has commissioned a report from Mr Georges Dumas, former chairman of the CIC bank.

The difficulty of finding suitable office space in the heart of Paris has already led some banks and insurance groups to consider moving to the south and east of the capital. If these moves take place, the ministry believes, it would lead to a scattering of the financial services industry which would be damaging to Paris's prospects as a financial centre.

Paris's bankers and brokers have never been as geographically concentrated as their London counterparts in the Square Mile. Stockbrokers are clustered mostly near the Stock Exchange building, two thirds of them in the 2nd arrondissement of Paris, and the remainder in the neighbouring 9th. The solitary exception is Magnin-Cordelle, which is housed in rue de la Boetie in the 8th arrondissement.

With the gradual death of the floor-based market, the need to be close to the Exchange is fading. Dealing is done increasingly on the screen-based CAC system, although the exchange of paper contract notes still puts a premium on proximity, and most brokers now stay in their offices – with the occasional expedition for lunch at Le Gallopin, just across from the Bourse.

The two largest state-owned banks – Banque Nationale de Paris and Credit Lyonnais – glare at each other across the Boulevard des Italiens, while the third sister, Societe Generale, is a few yards away on the Boulevard Haussmann. Other banks, however, are flung across Paris, from the Credit Agricole in unfashionable Montparnasse to CCF amid the glitter and fast food restaurants of the Champs Elysées.

While the insurance groups mostly retain a foothold in the rue de Chateaudun, in the 9th arrondissement, they have moved most of their administrative services out to the glassy towers of La Defense across the river Seine beyond Paris's western border – a space-age dream to some, an urban nightmare to others.

Banque Worms, the investment banking subsidiary of insurance giant UAP, moved this month to La Defense, to the irritation of many of its executives. To cap it all, they say, the maps produced by the bank to help visitors find their way through the multi-level maze of La Defense are at best misleading and at worst wrong.

La Defense is the nub of the problem, for if Paris financiers expect to have to move around inside the traffic-choked city, they are terrified of having to perform a perpetual shuttle between La Defense in the far west and Bercy, site of the new finance ministry and a growing number of office developments, in the far east beyond the Gare de Lyon.

Some banks and stockbrokers have looked at a new development in the 13th arrondissement on the other side of the river Seine from Bercy, but are unenthusiastic.

"Why should we want to move to Bercy to be near the finance ministry? I thought 'dirigisme' was meant to be over," commented one investment banker.

It looks as though the ministry itself, which even before moving in has discovered that its new FFr3.5bn ($321m) building is too small, may be the main taker for the 13th arrondissement development. In addition to its 225,000 square metres in Bercy, it is now negotiating the purchase of another 10,000 square metres of office space on the opposite bank.

Financial institutions, meanwhile, have mostly preferred to remain in the "golden triangle" between Neuilly, the Place de la Concorde and the Boulevard Haussmann. A number of large projects, including the redevelopment of the old Shell headquarters in the rue de Berri, are due to be completed in the next few years, so that office space itself is not all that hard to find.

The kind of large surface that allows the construction of open plan dealing rooms, however, commands a sizeable premium.

Is there a solution? The national property agents federation (FNAIM) has proposed a massive development in the Sentier district, just to the east of the Bourse.

A warren of tiny streets criss-crossing at improbable angles, the Sentier is currently occupied by the garment trade. Porters pushing racks of dresses battle with delivery lorries in what is widely acknowledged as some of the slowest moving traffic in Paris.

Mr Jean-Louis Thouard, chairman of the corporate property branch of the FNAIM, says state and private capital could together create a major mixed development of housing and offices in the district, with at the same time a new centre for the displaced garment trade in the Paris suburbs, where lorries would have less difficulty in delivering.

Many clothes companies have in fact already moved. A new centre at Aubervilliers, just outside the Paris ringroad, already has 65 clothing wholesalers as tenants, at rents one-third the level of the Sentier. Another similar centre is in the process of being developed at Marne-la-Vallee, a little further away from the city.

The finance ministry, however, is distinctly unenthusiastic about the Sentier as a new financial centre. French bankers, too, fear that the narrow streets of the district would lead them to miss as many flight connections as they now complain of doing in London, where deteriorating traffic conditions have dragged out the time needed to get to Heathrow or the Docklands airport.

In fact, it may be too late, because most financial institutions have already taken the bull by the horns and chosen their own new office sites. By the time Mr Dumas's report arrives and can be put into effect, they will already have moved.

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AMERICAN NEWS

Miss Rosy Scenario makes her last bow

Anthony Harris examines the inconsistencies shown up by the economic projections behind the budget

THE official economic projections which lie behind the Reagan budget will certainly be greeted as a last appearance of the White House economic optimism which is now personified on Capitol Hill as Rosy Scenario. The projections for real growth are much higher, for inflation somewhat lower and for interest rates a great deal lower than those of the Congressional Budget Office (CBO), set up in 1974 to give Congress its own guidance. All these differences help to reduce the projected budget deficit.

The projections from the Office of Management and the Budget (OMB) are not just statements of opinion, as official forecasts are in other countries; under the Gramm-Rudman-Hollings Act they have a crucial operational role. The budget for fiscal 1990, or the year beginning on October 1, will finally be enacted next summer - or possibly a good deal later, if there is a deadlock. At that stage the projected deficit, based by then on revised OMB projections, must be under $100bn, or automatic Gramm-Rudman cuts will be triggered.

The CBO had an active role in this process until the Gramm-Rudman "fix" last year; the operational assumption was a compromise between the OMB and CBO figures. OMB now has sole control, but the process still puts considerable pressure on the OMB to adjust to reality as the final operational projection (made in July) comes up.

This has recently involved stripping away some of the optimism, so perhaps the lady should be known as Gipsy Rose Scenario. Unlike her stage forbear, she reveals a steadily less attractive figure as the veils come off.

The thickest veil this year covers the likely level of interest rates. As the table shows, the OMB projection for the Treasury Bill rate is 1.5 per cent lower for this year and 1.8 per cent lower for next year than the expectation among corporate economists. Using the CBO's rule of thumb, this would involve federal interest expenses rising by about $17bn in fiscal 1900 above the OMB assumption - and by more than $30bn in fiscal 1991, if the gap remained steady. It will be impossible to hide this unsightly gap this summer, for by then 1989 will already be half over, and market interest rates will be partly a matter of history.

The growth assumptions also look strikingly optimistic, but here history is impartial. The OMB (like the UK Treasury) has often had the last laugh with growth forecasts which were greeted as too optimistic. Indeed, its 1989 figure is quite modest.

Real growth in the first quarter of this year over the last of 1988 is expected to come out between 5 and 6 per cent at an annual rate on this account as the drought adjustment drops out; over the year as a whole the growth rate will be raised by more than a full point.

The forecast for 1990 is a different matter. Here the OMB figure is double the consensus number, and owes nothing to the weather. This partly reflects the persistent belief among corporate economists that there is a recession just around the next corner.

There is some rational basis for this gloom by now, but not very much. Private investment is now expected to grow only half as fast this year as it did last: but at 6.6 per cent, investment demand will still be well ahead of the growth of the total economy.

Export demand is still strong, so it seems that the corporate gloom is still based mainly on the belief that what goes up must come down, sooner or later. As Herbert Stein, a conservative economist who has generally been critical of Reaganomics, has pointed out, this belief that recessions are caused by the law of averages is quite irrational: it seems to reflect the popular error that if you toss a coin and get heads five time, the odds on tails next time increase. They don't.

At the same time, the OMB has its own kind of irrationality. This comes out in its longer-term projections: it has simply upped the trend growth rate of the US economy to 3.2 per cent, well above any plausible measure of the past trend. This is a great help is arguing that the budget deficit can be closed without new taxes, but there is little objective basis for it.

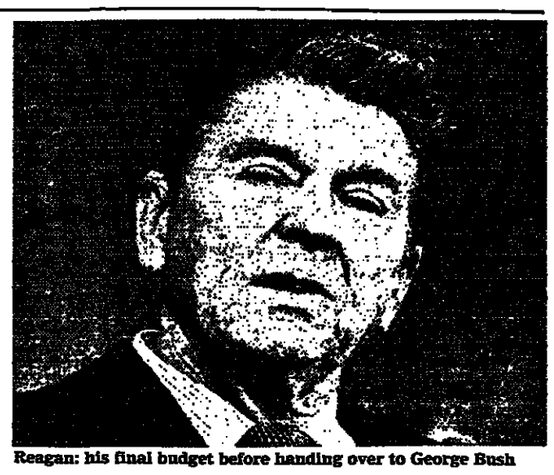
Finally, it is worth pointing out that both sides are internally inconsistent. If the corporate consensus includes a recession, it should also include a sharp fall in interest rates; the OMB should not assume such a fall, since it expects growth at or above trend. In sum, if the OMB is wrong about growth, it may be right about interest rates.

This may be one reason why Mr Richard Darman, Budget Director-designate, has declared that he is "comfortable" with the OMB deficit projection. A stronger reason is that he will certainly not be planning, as Mr Reagan does, for a 2 per cent real increase in defence spending. He would have trouble, though, with some of the other Reagan numbers, such as a a projection of spending on thrift industry bale-outs which averages some $6bn a year, but dips most conveniently to $2.6 bn in the crucial year, 1990. That is no doubt why the details will alter rather radically three weeks or so from now, when Mr Bush present his amended priorities; and why Miss Rosy will get unflatteringly little audience attention for her final show.

BUDGET FORECASTS

	1989		1990	
	OMB Budget*	Blue Chip**	OMB Budget	Blue Chip
Real GNP growth %	3.5	2.7	3.4	1.7
GNP deflator %	3.7	4.4	3.5	4.3
Consumer prices %	3.6	4.7	3.5	4.7
T-bill rate %	6.3	7.8	5.5	7.3

*Office of Management and Budget forecasts
** Ave. of 51 corporate economists



Reagan: his final budget before handing over to George Bush

MAIN POINTS

Savings and loans crisis: The budget requests authority for $25bn for the fiscal year 1989 to 1990 to help resolve the savings and loans crisis. It sees expenditure of $64bn over an unspecified number of years for the thrifts, not including the use of any resources that may become available under a new rescue plan to be proposed by the Treasury Secretary.

Illegal drug use: A proposal to give budget authority for $540m above current spending to combat illegal drug use, bringing the total cost of the programmes to $5.1bn for the year and a projected culminative cost over the next five years of about $26bn.

Space programme: This would get a 22 per cent increase over current levels to a total $13.1bn. Plans include nine shuttle flights in the next fiscal year and more than $2bn for the space station.

Science and technology: The budget asks for $3.3bn, up $401m over current spending, to double the 1987 level of support for basic research and provide $250m towards building a giant Superconducting Super Collider.

Housing construction: Funds would be cut to produce savings of $3.8bn. The number of low-income households eligible for subsidised rent assistance, in the form of vouchers, would be increased by 28 per cent.

Health care for the elderly: The budget calls for policy changes to restrain the annual increase in Medicare – health care for the elderly – to 9 per cent and requests budget authority for $125.4bn. The Administration proposes to limit the growth in payments to doctors and reduce payments for medical equipment. It also requests re-enactment of cost containment incentives which were allowed to expire for the Medicaid programme – providing health care for the poor. Grants to the states would be reduced by 3 per cent in fiscal year 1990.

Farm programmes: The Administration proposes changes in price and income supports "now that the farm sector is on a rebound," which would save $2bn, with the budget authority dropping from $15bn to $11.7bn.

Amtrak: The budget cost would terminate subsidies to Amtrak, the nation's private passenger service railroad, at a saving of $3.2bn over the next five years.

Education: A $426m increase in spending on education to a total $20.9bn is called for. The bulk of the funds are federal grants designed to help states educate poor and handicapped children. Outlays for job and skill training programmes would drop by $457m to $15.4bn.

Conservation: Outlays for natural resources conservation programmes would drop by $2bn to $14.1bn.

Federal debt: Net interest outlays on the federal debt are estimated to rise from $165.7bn in 1989 to $170.1bn in 1990. Although the debt has risen significantly, projected declines in interest rates are expected to offset some of the cost on the growth.

Nancy Dunne

Reagan stands by pet defence projects in defiance of realities

By Stewart Fleming in Washington

IN many areas President Reagan's 1990 budget contains hints of the shifting priorities in Washington which will become more apparent in 10 days when Vice-President Bush takes office. The defence budget Mr Reagan presented yesterday, however, is not one of them.

After a two trillion dollar military build-up since he took office Mr Reagan is again calling for an increase in defence spending in real terms, and for the budget to resume the explosive growth which he favours for his pet projects such as the Strategic Defence Initiative that Congress curbed last year.

In making these proposals he is ignoring the political realities of the day. The best that can be said in his defence is that Washington has yet to conduct the fundamental reappraisal of military and nuclear strategic strategy which military experts, including President-elect Bush's aides, say is needed.

Therefore Mr Reagan is in no position to start proposing the far-reaching adjustments in the military budget which are needed for the US to adapt to the changes taking place on the world stage; nor can he tackle the need to increase emphasis on building a vigorous domestic economy rather than a bloated military as the foundation of national security.

Mr Reagan calls for a 2 per cent real increase in defence spending after allowing for inflation. In nominal terms 1990 defence budget authority would increase from $298.9bn to $315.2bn. Actual outlays would rise from an estimated $298.3bn in 1989 to $303bn in 1990.

Included in the proposal is $4.9bn for SDI, $1.8bn over the 1989 level and, since Mr Reagan is asking for a two-year defence budget, a further rise to $7bn in 1991. Since Mr Bush's national security aides are saying privately that not even the Russians are taking SDI seriously, and because some favour the slimmer SDI programme advocated by Senator Sam Nunn, such figures are unlikely to reappear when the new President publishes his budget, perhaps next month. They might do so only under the guise of politically popular defence budget savings.

The budget also calls for continued heavy funding of the MX missile, provides no money for the alternative Midgetman missile which has wide support on Capitol Hill as well as among some senior members of Mr Bush's staff, and proposes further funding of the Stealth B2 bomber. Also included is funding for the construction of two Los Angeles class nuclear attack submarines and a Trident ballistic missile submarine.

In inflation-adjusted terms Mr Reagan's military build-up peaked in the 1985 fiscal year. The Pentagon estimates that in constant 1989 dollars defence authorisations peaked in 1985 at $325bn. It estimates that in the current fiscal year authorisations have sunk to $290.8bn. So in real terms defence spending, far from being on the 2 per cent a year real increase path that Mr Reagan envisages, is already declining sharply.

Mr Bush says he is hoping to keep the budget level in real terms but this too is probably an optimistic goal. There will be pressure in Congress for even slower defence spending. Even achieving Mr Bush's goal, however, will require cuts of perhaps as much as $200bn in the five-year Pentagon plan Mr Reagan outlines, calling for continued 2 per cent real growth.

Mr Reagan's budget also ignores the fact that the viability of America's nuclear arsenal is threatened by the obsolescence of several plants involved in manufacturing nuclear weapons, a problem which it is estimated will require the expenditure over the next decade or so of $100bn-plus on cleaning up environmental damage, correcting safety hazards and modernising some facilities.

Since the easy cuts in the budget have been made already the job of reappraising the US military strategy - for example integrating this and the weapons programmes with arms control negotiating positions and deciding what (apart from much of the SDI programme) is expendable – will fall to Mr Bush and his top advisers. These will be Mr James Baker as Secretary of State, former Senator John Tower as Defence Secretary and General Brent Scowcroft as national security adviser.

US ECONOMIC OUTLOOK
COMPREHENSIVE BUDGET PLAN
($bn)

	1989	1990	1991	1992	1993	1994
Receipts:	975.5	1059.3	1140.6	1212.2	1281.4	1345.0
Outlays:						
Defence	298.3	303.0	314.4	326.4	339.9	354.3
International discretionary	16.3	17.5	17.4	18.0	17.8	17.9
Domestic discretionary	177.4	181.5	187.3	189.8	192.2	194.6
Entitlements	523.3	528.0	586.2	599.4	630.7	659.6
Asset sales	-7.1	-6.1	-2.4	-2.0	-0.8	-0.8
User fees		-1.0	-1.3	-1.7	-2.0	-2.2
Other collections		-4.4	-1.6	0.4	-0.9	0.1
Net interest	165.7	170.2	165.8	154.4	143.8	132.1
Other receipts	-36.9	-36.6	-38.4	-40.2	-41.7	-43.9
Total Outlays:	1137.0	1151.8	1207.3	1244.4	1279.0	1311.6
Surplus/deficit:	-161.5	-92.5	-66.6	-32.2	2.4	33.4
Surplus/deficit as % of GNP	-3.2	-1.7	-1.1	-0.5	0.0	0.5

WORLD TRADE NEWS

Toyota and GM close to truck agreement

By Kevin Done in Detroit

GENERAL MOTORS of the US and Toyota of Japan are expected to reach agreement soon on an expansion of their New United Motor Manufacturing (NUMMI) joint venture in California to include assembly of Toyota pickup trucks.

Mr Roger Smith, GM chairman, said negotiations were under way, and it is understood the project will be announced shortly.

Toyota currently imports pickup trucks from Japan, but these are subject to a 25 per cent import tariff. The company has been seeking for some months to secure a production facility in the US to circumvent the tariff and meet strong demand more competitively in one of the fastest growing sectors of the US market.

NUMMI, which was formed in 1983, is the earliest of the joint production ventures between a US and a Japanese vehicle maker in North America.

It currently produces only cars, the Corolla saloon for Toyota and the related Geo Prizm for the Chevrolet division of GM, with output running at around 190,000 units a year, well below the plant's 250,000 capacity.

It is expected that Toyota will finance the estimated $250m cost of installing the truck assembly line and that output will begin in autumn 1990.

Toyota also has a wholly owned $1.1bn car assembly plant in Georgetown, Kentucky, where production began last year of its Camry car. It is also building a plant in Canada for the production of the Corolla.

Last year Toyota sold 686,000 cars and 248,000 trucks in the US market, a combined total that was marginally higher than a year earlier. The company captured an estimated 6.5 per cent of the US car market.

Mr Bob McCurry, executive vice president of Toyota Motor Sales USA, said Toyota's combined US car and truck sales were expected to exceed 1m units for the first time in 1989, slightly ahead of its previous record sales of 1.025m units achieved in 1986.

Libya-Turkey trade set to recover

Jim Bodgener reports on the effects of a bilateral protocol

TURKEY'S trade with Libya looks set to expand steadily alongside a revival in Turkish contracting fortunes in the North African country. In the first eight months of the year, Libyan purchases from Turkey rose by 63.7 per cent to total $141m compared with January-August 1987.

Turkish officials and businessmen doubt that earnings from Libya will ever return to the heady levels of the post-1980 development boom. The hope is that they have seen the last of the low point plumbed by a welter of disputes about delayed payments and unfinished projects during the oil price and development revenue crisis of the mid-1980s.

The increase also coincides with a slow warming in diplomatic relations between Tripoli and Ankara, chilled a couple of years ago by an alleged Libyan terrorist grenade attack on a US officers' club in Ankara.

The basis for the recent optimism is the reaching of a bilateral protocol in September permitting the resumption of Libyan oil shipments to Turkey. The trade had been interrupted for nine months because of a pricing disagreement. As a result, Turkey's imports from Libya had fallen to $41m in the first eight months of the year, compared with $221m in the same period a year previously.

This considerably hampered Turkish contracting efforts to win fresh work just at a time when opportunities appeared to be improving steadily – and Turkish companies' fortunes were directly linked to the level of Turkey's crude imports. The pricing dispute was high on the agenda of visits by Mr Turgut Ozal, the Turkish Prime Minister, to Tripoli in May, and to Mr Rusdu Saracoglu, the central bank governor, in June.

The Libyan negotiators had been insisting on a price of $18 a barrel – for reasons of bilateral confidentiality and Libya's Opec sensibilities, Turkish officials decline to name the compromise tariff reached, but say it is much more "realistic." The protocol was followed by a technical co-operation agreement, which included provision for the formation of joint ventures.

In December followed even more promising developments. First the year-old Export Import Bank of Turkey (Eximbank) announced that it would guarantee bridging finance extended by commercial banks to tide over contractors working in Libya until delayed payments came through for work done during the period of interrupted oil shipments.

Normally, contractors would expected to receive 60 per cent of their payments through the joint account. Total payments due by the end of the year since February will amount to about $180m – so the contractors will be able to raise $120m on the strength of the Eximbank guarantees.

On the Libyan side, Mr Omar al-Montasser, the Libyan Premier, told a Turkish contracting delegation on 11 December that he would attempt to ensure henceforth letters of guarantee from solid Turkish institutions supported by the Turkish central bank would be accepted by Libyan clients.

Libyan clients have refused to accept Turkish letters of guarantee since they fell into disrepute when some Turkish companies failed to complete work either through incompetence or delayed payments in the crisis of the mid-1980s. With uncertain prospects of arbitration, some Turkish banks refused to honour their letters of guarantee, to which the Libyan authorities responded with a blanket ban. The payments situation has been further complicated by the labyrinthine and changing structure of the Libyan bureaucracy.

Turkish contractors say about $200m worth of back-payments will shortly be disbursed by the Libyan treasury, but at the same time, about an equal amount still has to reach the central Government for approval from various levels in the government machinery.

Significantly, Mr al-Montasser reportedly told the contracting delegation that letters of guarantee would only be accepted for projects carrying the approval of the central Government in Tripoli, and not for schemes awarded independently by local authorities like the *wilayets* (provinces). Clearing up this tangle was the aim of a Turkish banking team which went to Tripoli early in December. It returned confident that agreement could be reached.

Solutions might be reached either to pay off Libyan claims, or preferably to arrange for the completion of abandoned and unfinished projects by other Turkish contractors. A sweetener from the Turkish side is the offer of a $250m line of credit for Turkish exports.

If both sides can agree, this would open the way for $1.5bn worth of fresh contracts for about seven Turkish contractors, which have already been negotiated, according to Mr Ozer Olcmen, secretary-general of the Association of Turkish Contractors Working in Libya.

To date, Turkish companies have finished a total $6.5bn worth of work in the country, with about $3.5bn awaiting completion. The Turkish contracting presence comprises more than 20 Turkish companies with a labour force of about 25,000 expatriates.

Much of the new work is for the new desert city of al-Jufra, about 480km to the south-east of Tripoli. Another area of opportunity is for the ambitious Great Man-made River (GMR) scheme to bring water from aquifers deep in the desert to coastal urban and agricultural districts.

Libyan business has not been so much of a problem for Turkish export houses, whose letters of credit are provided for in the central bank clearing arrangement between Turkey and Libya. Construction materials at present make up about one fifth of total visible Turkish exports to Libya, which comprise around 400 items but obviously this proportion could increase considerably if the new building contracts are ratified.

Washington urges EC to clean up meat inspection

By Tim Dickson in Brussels

The US Government yesterday urged the European Community to clean up its meat inspection procedures by the end of March.

The US has sent a letter to the governments of nine member states (all except Greece, Luxembourg and Portugal) demanding proof that proper "residue control" procedures for beef are being applied within the EC.

The letter covers exports of all European meat and meat products to the US – valued at an estimated $450m in 1987 – which have to satisfy standards set by the US Food Inspection Service before they can be imported.

Officials of both the US mission in Brussels, and at the EC, were last night describing the missive as "routine," but it nevertheless makes specific reference to the "publicly available" reports over the last 18 months that EC countries are not effectively controlling the use of "residues" and unapproved compounds.

This is taken as a reference to the discovery last year (notably in West Germany) of quantities of EC meat treated with illegal hormone "cocktails" – clear evidence to many in Europe as well as the US that the EC's blanket ban on all hormones introduced at the beginning of 1988 has not been working.

It is this ban, extended on January 1 this year to almost $100m of hormone-treated US meat claimed by Washington to be perfectly safe, which prompted immediate US retaliation.

The hormone issue now threatens to precipitate a full blown-trade war if the EC goes ahead with a new phase of counter retaliation later this month.

The irony of yesterday's letter lies in the implication that the US believes EC meat may be unsafe for American consumers. But while the timing of its disclosure may be coincidental – and the deadline imposed almost three months away – it is bound to fuel fears among EC meat producers that Washington is considering a total ban on EC meat imports if the dispute escalates.

US budget cuts force Eximbank to curtail loans

By Peter Montagnon, World Trade Editor

THE US Export-Import Bank has temporarily ceased making offers of new loans in support of long-term capital goods exports because of spending cuts announced in the Reagan Administration's final budget yesterday.

The bank said yesterday it would continue to process loan applications for which its board had already granted authorisation but could no longer make any fresh credit offers available although this would hit US exporters if the suspension lasted longer than a few weeks.

"It would lock out US exporters who would not be able to compete in developing country markets. It would have an impact on our capital goods and technical services exporters," the bank said.

Yesterday's budget made no lending authority provision at all for the bank in the fiscal year beginning this October.

The bank has already used up $207m out of the $895m loan authorisations available to it in the current year. Loans already being processed are likely to exceed the remaining available authorisation.

This is the second time in the current decade that the bank has announced a temporary suspension of new loans. The first was in 1981 when the federal budget also made no provision for new lending.

Mr David Stockman, the then Budget Director, argued that the bank should be wound up but pressure from Congressional and business leaders resulted in a resumption of funding.

Yesterday's decision is expected to lead to a similar debate about the bank's future amid signs of continuing strong competition from other export credit agencies in Europe and the Far East. The new debate comes at a delicate time, however. Mr John Bohn, the president of the bank appointed by the Reagan Administration, has announced his intention to leave at an unspecified date in the future and no successor has yet been named by President-elect George Bush.

The bank has also been increasingly enmeshed in criticism of its affairs by the General Accounting Office which says its financial results are distorted by its refusal to make loss provisions on its loans. Its capital has meanwhile been eroded by an interest rate mismatch going back to the late 1970s when its funding costs were much higher than the subsidised international rates prevailing on long-term export credits.

UK hit by import regime

By Janette Staubus in Buenos Aires

BRITISH goods are to be excluded from new Argentinian import procedures which came into effect on October 21, easing licensing requirements for 2,000 products.

The decision, published on January 3 in the Boletin Official, a government circular which carries all new legislation, is fresh proof of Argentina's discrimination against UK imports.

The new law was one of the liberalisation conditions set by the World Bank in negotiations for a $1.2bn loan granted last September. Under the old system, goods had required time-consuming authorisation before leaving their country of origin. Import paperwork can now be completed once the consignment has arrived in the country.

According to the government bulletin UK goods are not eligible for the new streamlined system and will continue to require permits from the Ministry of Foreign Trade before leaving the UK. The resolution formalises the de facto discrimination practised for all but a short period since the Falklands war in 1982.

Swiss watch exports rise

By John Wicks in Zurich

SWISS watch exports reached record levels in 1988, according to the industry's trade association, Horlogere.

Mr Andre Margot, the association's chairman, said the year was "a quite exceptional one" in terms of export value, which rose 16 per cent in the first 11 months against the same period for 1987.

For the year as a whole, exports will have passed SFr5bn ($1.8bn) compared with SFr4.27bn the year before.

Sales were particularly strong in the upper price brackets, according to Mr Margot, which accounts for the sharp rise in the export value despite foreign sales volume rising by only 3 per cent.

Exports of cheaper watches also increased, while sales of medium-priced watches continued to fall.

Mr Margot also pointed to the success of new products such as models in the chronography sector, which includes stop watches and timing equipment. The next four to five months were expected to see stable sales in the Middle East and the US, and a further rise in European sales.

Marconi Italiana wins radio order from Denmark

By David White, Defence Correspondent

DENMARK is to buy a tactical communications system for its army from Marconi Italiana, an Italian subsidiary of GEC, the British defence and electrical group currently at the centre of a takeover battle.

The order, won against competition from most of GEC-Marconi's European rivals in defence electronics, is seen by the group as a test case, with a series of similar off-the-shelf deals expected to be decided soon in Europe, the Middle East and the Far East.

Contestants for the digital battlefield communications order included Plessey, the UK company for which GEC launched a controversial bid last month. Marconi Italiana was shortlisted last May alongside Racal of the UK and Denmark's Terma in conjunction with the Israeli company Tadiran.

The initial turnkey contract, worth L30bn (£12.7m) for radio equipment to be installed on light military vehicles, is due to be followed up by further contracts for system support.

Marconi Italiana is the main supplier of this kind of equipment to the Italian army.

Afghan divisions offer Moscow a glimmer of hope

Christina Lamb reports on the background to the breakdown of Soviet-Mujahideen talks

THERE are growing fears that there will be no peaceful settlement to the nine-year war in Afghanistan after Afghan guerrilla leaders yesterday called off talks with the Soviet Union.

Resistance leaders were disappointed with the latest round of negotiations in Islamabad which were little more than a restatement by both sides of their respective positions – though in more mellow terms than at their first meeting last month.

They cancelled their agreement to hold more talks in protest at a press conference by Mr Yuli Vorontsov, the chief Soviet negotiator, at which he accused resistance leaders of "medieval thinking" and deliberately prolonging the bloodshed by avoiding a political solution.

Before the Islamabad talks Mr Vorontsov had agreed to the Mujahideen condition that he should not insist on a role for the PDPA, the Soviet-backed ruling party. Afterwards he told journalists that not only did Moscow insist on PDPA participation but that it would use whatever means necessary to ensure its survival.

Professor Sibghatullah Mojadiddi, head of the seven-party resistance alliance, charged Mr Vorontsov with "playing political games" and said there could be no talks until all Soviet troops had left Afghanistan and Moscow stopped supporting the Kabul regime.

Mr Vorontsov said that the leadership in Pakistan and Iran, hosts to the

Mojadiddi: resistance head

resistance fighters, agreed there must be a political solution. But while the Soviet Union continues to insist on a role for the PDPA there seems no alternative but continued fighting. The Mujahideen say they would accept only "good Moslems" from the Kabul administration, while giving amnesty to party members – an offer Mr Vorontsov neither accepted nor rejected.

Until now Moscow had been seen as continuing support for President Najibullah and his PDPA as a bargaining chip they could drop as soon as the Mujahideen came up with an acceptable face-saving solution. But as the withdrawal of Soviet forces reaches its last stage, the power struggle within the Pakistan-based alliance is becoming more evident. As Mr Vorontsov pointed out: "The Mujahideen may not find Najib acceptable *but they didn't find each other acceptable.*"

In the absence of any unified proposal from the resistance Moscow is becoming less likely to abandon the PDPA and indeed sees a glimmer of hope for its survival. In an attempt to win support, the Soviet-backed party is changing its name and manifesto to become "more Islamic".

Pakistan admits its disillusionment with the alliance it created and – with their American backers seeming to have washed their hands of the affair – their policy lacks direction. Attempts by the Pakistan Foreign Ministry and military intelligence (ISI) to impress on the leaders the urgent need for unity only seems to have divided them further.

ISI has been perceived as favouring radical parties and some moderates claim they are deliberately encouraging rifts knowing the radicals would have a better chance of taking power in a military victory than a political settlement. On Sunday night Professor Mojadiddi, one of the three moderate leaders, walked out of a dinner hosted by Gen Hamid Gul, head of ISI.

The radical leaders are equally suspicious, arguing that the moderates are delaying plans for a grand assembly to select an interim government, because they fear being swamped by a fundamentalist-dominated majority, while if nothing is agreed to there

Vorontsov: agreed condition

may be no option but the return of Zahir Shah, the former king. Prof Mojadiddi and Pir Gaylani, another moderate, would both welcome the king's return.

The basic problem is mistrust as the bearded seven struggle to make the necessary psychological transformation from guerrillas to political leaders. A high-level Foreign Ministry official explained: "Their philosophy seems to be 'if I can't be leader then neither can anyone else.'"

Publicly the alliance leaders maintain they are united. Off the record they confide they do not even talk to each other and that security measures have been stepped up as groups gang up against each other. The extent of their mistrust is such that each party is separately instructing its own commanders to make the necessary arrangements to take over Kabul.

A failure to reach a political settlement before February 15 when the withdrawal is scheduled to end, will mean continued fighting, with events moving increasingly into the hands of field commanders with whom both Pakistan and UN are already making contacts. If, as the Mujahideen predict, the Kabul regime quickly collapses, and there is still a political vacuum, the seven leaders may turn upon each other, there no longer being a cause to unite them.

After the Islamabad talks collapsed Mr Vorontsov warned: *"If the fighting* continues it will not be according to ideologies but on religious, ethnic or tribal lines." Islamabad and Moscow are equally anxious to avoid this, mindful of separatist elements in their own countries. Moreover Pakistan's new democratic government would not like to jeopardise relations with the Soviet Union, afraid that their dwindling strategic importance to the US may enable powerful lobbies to insist that Pakistan's nuclear programme can no longer be overlooked when aid is being considered.

There is a fear among the 3m refugees that after February 15, Pakistan may not be such a friendly host, anxious that relations with the Soviet Union should not be held hostage to the whims of the alliance they themselves created and now do not know what to do with.

Hanoi sees Kampuchea settlement in autumn

VIETNAM'S Foreign Minister said yesterday he expected a settlement by September in Kampuchea, where Vietnamese occupying troops have been fighting resistance guerrillas for a decade, Agencies report from Hanoi.

Mr Nguyen Co Thach said after two hours of talks with Mr Siddhi Savetsila, the Thai Foreign Minister: "Both sides have agreed it (the Kampuchean problem) will be solved soon. . . by September 1989 within the framework of a political settlement."

Mr Siddhi is the most senior Thai official to visit Vietnam since 1976. He was also scheduled to meet with Mr Nguyen Van Linh, Vietnam's Communist Party chief, and Mr Do Muoi, the Vietnamese Prime Minister.

Developing strategies to end the Kampuchean civil war was a main item on the agenda, said Mr Jetn Sucharitkul, the Thai Foreign Ministry spokesman. Thailand backs the tripartite Kampuchean rebel coalition, which includes the Khmer Rouge.

Fears of the Khmer Rouge returning to power have grown recently as Vietnam withdrew some of its troops. Vietnam has said it would complete a total pullout by 1990.

Last week, the Vietnam-installed government of President Heng Samrin in Kampuchea suggested an earlier withdrawal deadline of September 1989 could be met if *Thailand denied sanctuary to* Kampuchean guerrillas and some countries – including Thailand – stopped giving them weapons and supplies.

Another item on the agenda was a Thai proposal to re-start a 1978 agreement with Vietnam on co-operation in aviation, ocean commerce, telecommunications, posts and trade, Mr Jetn said. Mr Siddhi's trip also was to pave the way for a visit to Vietnam by Mr Chatichai Choonhavan, the Thai Prime Minister.

In response to written questions from Thailand's English-language newspaper, The Nation, the Vietnamese Prime Minister described Mr Siddhi's visit as a "turning point" in Thai-Vietnamese relations. He also praised Mr Chatichai Choonhavan's policy of "turning battlefields into marketplaces" as "a far-sighted initiative".

● Organisations and individuals dealing with Vietnamese economic and commercial institutions are now allowed to have permanent representations in the country, the Vietnam News Agency announced yesterday.

Vietnam last year passed a liberal foreign investment act to attract foreign capital and introduced other reforms.

Philippines fears surge of Moslem violence

By Richard Gourlay in Manila

FEARS of renewed sectarian violence were raised in the Philippines again yesterday, when two hand grenades exploded in a crowd watching a charity basketball game in a predominantly Christian town, killing at least 13 people. The attack happened on the first day of debate in Congress on steps towards limited Moslem autonomy.

Military spokesmen in Manila reserved judgment on who might have been behind the attack, but local police blamed Moslem separatists who were active in the area until a ceasefire was agreed with the government nearly three years ago.

The grenade attack left over 80 men, women and children wounded in the court where prizes were being presented, police in the village outside the southern town of Cotabato said.

The incident follows a sudden increase in incidents in Moslem parts of the Philippines that could raise communal tension as the debate on an autonomy bill gathers pace in Manila.

A spokesman for the main Moslem rebel group, the Moro National Liberation Front, denied responsibility for the grenade attack

'Horrific massacres' reported in Lebanon

POLICE reported "horrific massacres" yesterday in south Lebanon as Syrian-backed Amal militiamen recaptured strategic villages from pro-Iranian Hizbollah rivals in house-to-house battles, AP writes from Kfar Melki, Lebanon.

The chain of villages lies along the main road between Sidon and the Israeli buffer zone. Police said at least 80 people have been killed and 200 wounded since Sunday morning. Nearly 500 have been killed and more than 1,500 injured since the power struggle for dominance of Lebanon's im Shias erupted.

In Beirut, Syrian troops patrolled the residential districts of Noweiri and Bourj Abu Haidar, where Amal and Hizbollah fought for two hours on Sunday.

Arab League meets

Arab foreign ministers will hold an emergency meeting tomorrow to rally support for Col Muammer Gadaffi, the Libyan leader, and try to plot a way out of Lebanon's political quagmire, Reuter reports from Tunis.

The 22-member Arab League is likely to have more success with the first objective than the second. A senior Moslem politician in Beirut said an open clash between Syria and Iraq, which are aligned with rival governments in Lebanon, was quite possible.

Palestinians shot

Seven Palestinians were reported shot and wounded in clashes with Israeli troops yesterday as a general strike shut down the occupied West Bank and Gaza Strip, AP writes from Nablus.

Mr Yitzhak Rabin, the Defence Minister, meanwhile, has renewed secret contacts with Palestinians to discuss convening municipal elections in the occupied territories for the first time since 1976, the daily Haaretz reported.

Sino-Soviet plans

Mr Eduard Shevardnadze, the Soviet Foreign Minister, will *visit Peking in early February to prepare for a Sino-Soviet* summit, Qian Qichen, the Chinese Foreign Minister, said on Sunday, AP reports from Paris. He confirmed the summit would take place "possibly" in the first half of 1989, but gave no exact date.

First Cubans leave

The first contingent of Cuban soldiers to withdraw from Angola will receive a ceremonial send-off in Luanda today, 13 years after Havana first sent troops to help fight off a South African invasion, Reuter reports from Luanda.

In what Angola and Cuba describe as a goodwill gesture, 450 Cuban servicemen and women are due to fly out in three aircraft.

Indians sail away

A second battalion of Indian troops left Sri Lanka by chartered ships yesterday with more expected to leave soon as peace is restored in areas affected by Tamil guerrilla violence, an Indian official said, Reuter reports from Colombo.

One battalion left last week following a request on December 21 by Mr Ranasinghe Premadasa, Sri Lanka's new president, for the phased withdrawal of the 50,000 Indian troops once peace is restored in northern and eastern areas.

Jakarta boosts economy

By John Murray Brown

INDONESIA over the weekend unveiled its first expansionary budget for three years in a bid to stimulate domestic growth and provide jobs in South-east Asia's largest economy. The draft 1989-90 budget for the year starting in March, which has still to be formally approved by Parliament, looks to large increases in foreign aid contributions and better tax collection.

The figures, which some economists describe as ambitious, mark a further step to diversify the economy away from oil, which a few years ago provided over 70 per cent of total revenues, but today accounts for just 31 per cent.

The improved picture, with capital or development spending up 48 per cent, should ease Indonesia's labour problems, with 12m new job seekers hitting the market over the coming five years. It also allows the Government to give the 4m civil servants and military a pay rise for the first time in four years.

Erring on the side of caution the Government is basing calculations on an oil price of $14 a barrel against $16 last year. Total spending, both routine and development, is raised 26 per cent to Rupiah 36,570bn (£11.74bn). Aid contributions are expected to rise 58 per cent to Rp 11,330bn, accounting for 31 per cent of total revenues.

Much will be in the form of soft loans which are tied to specific projects. Officials say telecommunications, ports and roads are the priorities. Foreign governments are particularly eyeing the $2bn digital switch telephone contract.

Tax revenue based on improved collection of wholesale value added tax is expected to rise 34 per cent. The Government's five-year projection is for non-oil tax receipts to almost treble from what is today one of the world's narrowest tax bases.

Indonesia's largest budget expenditure remains its debt service charges, which are expected to rise 15 per cent in 1989-90.

Eyebrows raised over Emperor's constitutional step

By Ian Rodger in Tokyo

LIFE IN Japan returned to near normal yesterday following the death of Emperor Hirohito on Saturday, but the new Emperor Akihito was already embroiled in controversy over his role under the country's post war constitution.

The new emperor met with 132 Government and private sector leaders in a traditional ceremony yesterday and, in a short speech, pledged to preserve the constitution. This statement, which would be anodyne in most countries, *had special significance in* Japan, and it was widely noted.

The existing constitution was drafted largely by the occupation authorities following the Second World War, and some Japanese, including former Prime Minister Yasuhiro Nakasone, dislike having to live under a constitution that does not spring from Japanese traditions. Also, the renunciations of war and the right to belligerency contained in the constitution disturb some people, although for others they are articles of faith.

The attitude of the Imperial family toward the constitution, which reduced the emperor from a god to a symbol of the state and unity of the people, has long been debated. The new Emperor appears to have *put the debate to rest.*

Palace officials said 44 members of parliament, mainly members of the Communist and Socialist parties, refused to attend yesterday's ceremony, some because they said it cast the emperor into a position of supremacy over the people, which he no longer has under the constitution.

Analysts said that the Emperor appeared to be sensitive to this problem, addressing the people with an ordinary greeting, "Minasama", meaning roughly, ladies and gentlemen, rather than a royal greeting always used by previ*ous emperors.*

Meanwhile, business activity resumed yesterday, with a rush of applicants for the right to use *Heisei*, the name of the new era, in corporate and product names. Prices of chrysanthemums, used in mourning, doubled in Tokyo's wholesale flower market.

Prices of shrimps, which had been depressed because of the cancellation of many parties during the former emperor's illness, rose sharply in Tsukiji,

Emperor Akihito and his veiled wife at the palace yesterday

Tokyo's fish market.

Share prices rose sharply on the Tokyo Stock Exchange, the Nikkei average of 225 leading shares gaining 468.85 points to a record high of 30,678.39.

Bitter memories versus trade

THE question of how to react to Emperor Hirohito's death continued to cause ripples in Australia and New Zealand yesterday, raising bitter memories of the war years, Reuter writes from Sydney.

Mr Bob Hawke, the Prime Minister, reminded Australians yesterday of Japan's importance as a trading partner in a bid to end controversy over the late Emperor's wartime role.

He told reporters he would not attend the funeral of Hirohito, but Mr Bill Hayden, the former foreign minister who was recently named as the next governor-general, was most likely to be Australia's representative.

"While it is appropriate to remember times of war, it is more appropriate to realise Japan is our major trading partner," he said. Australia's future prosperity depended on this trading relationship which future generations should build on, Mr Hawke said.

His statement followed bitter comments on Sunday by some leaders of the Returned Servicemen's League and trade unions, describing Hirohito as a war criminal.

"The emperor's death should be noted as the passing of a notorious but unrepentant war criminal," said Mr John Halfpenny, head of the trades unions in Victoria.

In New Zealand, Mr Bob Tizard, the Defence Minister, said yesterday that late Emperor Hirohito of Japan should have been tried and executed as a war criminal after the Second World War. Mr David Lange, the New Zealand Prime Minister, issued a statement later saying Mr Tizard was expressing personal views which were not endorsed by the Labour Government.

Israeli banks pull out of West Bank and Gaza

By Andrew Whitley in Jerusalem

A CAMPAIGN of threats and firebombs, coupled with declining business, is forcing the withdrawal of Israeli banks from the occupied West Bank and Gaza Strip, leaving the region's 1.7m Palestinians few conventional banking services.

Tighter Israeli restrictions on the transfer of funds from abroad to the occupied territories are, meanwhile, beginning to bite. The curbs are explicitly designed to counter the Palestine Liberation Organisation's efforts to pay local government employees.

Five people were hurt on Sunday when masked youths threw molotov cocktails inside a branch of Bank Leumi in Jenin, a frequently troubled West Bank town. In accordance with Israeli regulations, the bank was open during a strike day

East Jerusalem bank branches have frequently been attacked on strike days, causing considerable damage. But, as the district now forms part of the Israel capital, following its 1967 annexation, bank head offices will not want to be seen closing branches here, even if they are uneconomic.

Iran 'deadpan' to UK request

By Edward Mortimer in Paris

MR WILLIAM WALDEGRAVE, Minister of State at the British Foreign Office, described as "sort of workmanlike" his meeting yesterday with Mr Ali Akbar Velayati, the Iranian Foreign Minister.

It was a good thing, he said, that such meetings no longer needed to open with "a long period of rhetoric". But Mr Velayati's response to his plea for the use of Iranian influence to free British hostages in Lebanon had been "very deadpan".

Mr Velayati had again raised the case of four Iranians, also missing in Lebanon, over whose fate Britain had no influence and who he feared were in any case probably dead, so that "the linkage is not very helpful".

Mr Waldegrave added that he had thanked his Iranian colleague for the release of Mr Nicholas Nicola and had again pressed the case of Mr Roger Cooper, a British businessman and writer who has been in prison in Iran for three years without being tried or charged.

He had told Mr Velayati that there was "no real prospect of normalising Anglo-Iranian relations so long as these things are not out of the way".

Mr Waldegrave also had a meeting with Mr Tariq Aziz, the Iraqi Foreign Minister, and told him of the importance Britain attaches to the Iraqi statement of September 17 last *year pledging not to use chemi*cal weapons again, as well as expressing Britain's anxiety about the lack of progress to consolidate the ceasefire between Iraq and Iran.

Mr Waldegrave today is to meet a group of ministers from African frontline states, at their request, to discuss Namibia, and Mr Jaromir Johanes, the Czechoslovak Foreign Minister, to stress Britain's concern that Semtex plastic explosive, made in Czechoslovakia but used by international terrorists including the IRA, should be made traceable.

Taiwan's trade at record

TAIWAN'S total trade for 1988 was a record $110bn, Reuters reports from Taipei.

Mr Vincent Siew, vice-chairman of the Council for Economic Planning and Development said Taiwan ranked 13th in the value of its trade in 1988, up from 14th in 1987. Official statistics show exports totalled $60.59bn and imports $49.65bn in 1988, against *$53.53bn and $34.5bn in 1987.*

Mr Siew said Taiwan's trade surplus dropped to $10.94bn in 1988 from a record high of $19.03bn in 1987. He forecast 1989 trade at nearly $120bn.

PLO applies pressure for convening of Mideast conference

After its historic talks with the US, the organisation is focusing on the next difficult step, reports **Lamis Andoni**

ONLY weeks after the US Administration's landmark decision to open a dialogue with the Palestine Liberation Organisation, the initial euphoria among Palestinians has worn off.

Rather than *simply basking in an* unprecedented degree of international recognition, senior PLO officials are now attempting to draw up a strategy aimed at influencing Washington's attitude to a Middle East peace conference. The PLO now *realises how many obstacles are still* strewn in its path.

The organisation's ultimate goal, according to Palestinian officials, is to get the US to put pressure on Israel to engage in peace talks and come to terms with Palestinian "national rights".

But the first round of talks between PLO and US representatives, held in Tunis on December 16, merely served to underline the gap between the two sides on procedural and substantive issues.

The differences extend to the meaning and practical implications of the statements in Geneva by Mr Yassir Arafat, the PLO chairman, which opened the way for the US decision to deal directly with the organisation. They are *bound to* loom large – and could disrupt the dialogue altogether – when US-PLO negotiations resume after the inauguration of President-elect George Bush in January.

To open the way for talks with the US after a 13-year ban on such contacts, Mr Arafat accepted Israel's *existence, endorsed UN Security* Council resolution 242 – which calls for Israeli withdrawal from Arab territories occupied during the 1967 war – and renounced terrorism.

However, Mr Arafat has also proclaimed an independent Palestinian *state in the West Bank and Gaza, a* theoretical entity now recognised by more than 70 countries. He has opened Palestine embassies in the Gulf and seen the PLO office in France upgraded. But the US, and its European allies, do not recognise the state of Palestine.

More immediately, there are potential disagreements on the definition of "terrorism" and on the framework for future Arab-Israeli negotiations.

With regard to terrorism, US officials have clearly stated that Washington will break off the dialogue if the PLO turns out to be responsible for any terrorist acts, but have refused to reply to PLO requests for a definition of such acts.

The PLO continues to reserve the right to stage guerrilla operations against military targets in Israel and to maintain its support for the Palestinian uprising – both of which, on the PLO definition, belong to the category of resisting occupation according to the UN charter.

Mr George Shultz, the outgoing US *Secretary of State, was angered this* month by reported PLO threats against Palestinians proposing a truce to suspend the uprising in the Israeli-occupied territories.

Mr Shultz accepted that the uprising itself is not terrorism, but said *threats and intimidation against* those moving in a peaceful direction "fall much more into the terrorist category."

It is, however, understood that the PLO decided at the highest level some time ago not to launch armed attacks in the occupied territories since it does not want to provoke Israeli retribution against the Palestinians there or to undermine the international sympathy generated by the uprising.

*There remains the problem of pos*sible attempts by Palestinian dissidents to stage a terrorist outrage to disrupt the US-PLO dialogue – highlighted dramatically by the suspicions surrounding the bomb blast aboard the Pan Am flight over Scotland last month. But PLO negotiators have told the Americans that the organisation will help in investigations and cannot be expected to control the activities of each and every Palestinian, an argument that may prove acceptable to the US.

The second big difference concerns the US preference for direct *talks between Arabs and Israelis.* The PLO strongly opposes talks outside the framework of a UN-sponsored international peace conference.

Officials argue, as the PLO and Arab *states have* for years, that the regional balance of power is in Israel's favour, and they would therefore be at a disadvantage in direct talks – whereas in an international conference, US support of Israel would be offset by Soviet backing for the PLO's position.

They fear that the US aims to sponsor separate bilateral talks between Israel and individual Arab states, thus dividing the Arab camp and relegating the issue to a series *of border disputes at the expense of* Palestinian claims to statehood.

They also worry that in the unlikely event of his accepting direct talks, Mr Arafat would undermine the majority support he secured for his moderate line at the November meeting of the Palestine National Council. "I will definitely go against the PLO leadership and the dialogue with the US if they accept direct talks," said Dr Assad Abdul Rahman, a member of the PNC who voted for the new strategy in Algiers.

Worried that the US will try and *take advantage of a weak PLO bar*gaining position to extract further concessions, Palestinian decision-makers are working to secure international – and especially Arab and European – support for the convening of an international conference.

The PLO has already scored an important victory in Geneva when the UN General Assembly voted in favour of the proposal. The next step, according to PLO officials, is to get influential European countries – including the Soviet Union, France and Italy – to push for practical steps towards setting up a preparatory committee for a conference.

Another essential step that is expected to be taken in the near future is the setting up of a "provi*sional government" for the Palestin*ian state that was declared in Algiers.

Mr Yassir Abed Rabbo, the PLO executive committee member who headed the Palestinian delegation in the Tunis talks with the US, said such a body was needed to represent the Palestinians in negotiations with the Americans and at an international conference. It would also help secure more international recognition of their putative state, he said. Other PLO officials are sceptical that the PLO's factions will be able to agree in the foreseeable future on the composition of such a government.

In any case, whatever hopes some officials are pinning on the new Bush administration, the PLO is harbouring no illusions about the time it will take to change US views, and seems to be trying to achieve its goals in phases.

Mr Abed Rabbo, who represents the Marxist Democratic Front for the Liberation of Palestine, said the PLO expects as a bottom line that the US will agree to the convening of an international conference and will stop supporting Israel's acts against Palestinians in the occupied territories.

But the main front for the PLO remains the occupied territories, and *its principal goal is support of the* continuation of the Palestinian uprising there. "Our goal is to support the *intifada* to reach the stage of civil disobedience, for it is the only way to assert our goals and force the Israelis to end their occupation," said Mr Mohammad Milhem, a member of the PLO executive committee based in Amman.

UK NEWS

Tesco offers customers the organic option

By John Hunt

THE TESCO supermarket chain joined the green revolution yesterday with the announcement of a marketing programme which will attract the growing numbers of environmentally-aware consumers to any of its 375 stores.

Customers will be able to drive into the company's superstores, fill up with lead-free petrol, deposit their bottles or plastic containers for recycling and then go shopping for ecologically-pure products.

The launch of the company's new range is symptomatic of changes taking place in retailing to meet the demands of a public increasingly sophisticated on environmental issues.

Mr Tom Burke, director of the environmental group, Green Alliance, declared at the launch of Tesco's superstore in Colney Hatch, North London: "When I began my career as an environmentalist some years ago, the supermarkets were the enemy, the symbol of conspicuous consumption."

Now, he said, there had been a marked shift in the debate. Supermarkets were now part of the solution to ecological problems by giving consumers the choice of environmentally-friendly products,

Organically-grown vegetables are now on sale at 10 Tesco stores and will be extended to at least 20 more.

To promote the range, Tesco has had a special logo designed showing two heart-shaped figures encircling the earth. Free leaflets have been printed to show how the system works.

The logo will be placed on plastic containers which are biodegradable and on detergents and cleaners free of dangerous phosphates which escape into the water supply.

The range includes aerosols which do not contain chlorofluorocarbons (CFCs) harmful to the atmosphere. Cosmetics and some other products are guaranteed not to contain ingredients which have been tested on animals.

Many flowers are under threat of extinction because bulbs are being uprooted from the wild for replanting in gardens. So Tesco will sell only artificially-cultivated bulbs.

Brake on factory prices eases inflation fears

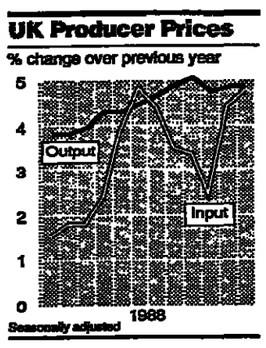
By Ralph Atkins, Economics Staff

FACTORY-GATE prices of manufactured products showed only a small rise last month, according to official figures yesterday which eased slightly fears of mounting inflationary pressures in the economy.

The modest increase came despite a steep rise in the cost of materials and fuel purchased by manufacturers. The figures suggested that manufacturers were squeezing profit margins and not simply taking advantage of strong demand to raise prices.

Other figures yesterday painted a mixed picture of the buoyancy of the consumer sector late last year. They showed that demand for consumer credit continued to expand at a strong pace in November, despite high interest rates, while retail sales fell.

The Department of Trade and Industry said output prices of manufactured products increased by 0.2 per cent between November and December. This left the annual rate of increase unchanged at 4.9 per cent and meant that since late summer it has scarcely moved



The December increase was less than expected by City of London analysts, soothing anxieties about a possible acceleration in prices.

Figures for materials and fuel purchased by manufacturing industry showed a increase of 2.8 per cent in December, mainly because of seasonal increases in electricity costs and higher prices for metals. After adjustment for normal seasonal variations, prices were 0.5 per cent higher.

The annual rate of increase in December was 4.8 per cent – the highest since June. At the beginning of 1988, input prices were rising at an annual rate of less than 2 per cent.

DTI figures for consumer credit in November showed a strong increase despite rises in interest rates throughout last year. Outstanding consumer credit increased by £402m after a exceptionally small increase of £82m in October.

However, looking at figures for the latest three months there are signs that the trend in consumer credit may be gently slowing.

Final DTI figures for retail sales showed a 0.6 per cent fall in November, encouraging hopes that growth in consumer spending may be abating.

The index of output prices, not seasonally-adjusted, stood at 115.4 (1985=100) in December compared with 115.2 in November. The unadjusted index of input prices was at 102.6 against 99.8. The seasonally adjusted index stood at 100.1 compared with 99.6.

Abbey National flotation plans to be announced tomorrow

By David Barchard

ABBEY NATIONAL Building Society will announce tomorrow the details of its plan to convert to a stockmarket listed public company after a High Court ruling last week removing legal obstacles to the move.

Abbey National's board declared its intention to opt for flotation in March last year, the only building society so far to invoke its powers under the Building Societies Act to do so.

The Abbey is at present constituted as a mutual society, owned by its depositors.

Until this week, however, the society's sole further public steps towards incorporation had been to send two letters to its members.

The society said yesterday that the path for tomorrow's announcement had been cleared by judgments in the High Court last week and that the first of its "roadshows" explaining the advantages of incorporation to members across the UK would take place in Belfast on Thursday.

The ruling followed a friendly action launched in the High Court by Abbey National and the Building Societies Commission, the regulatory authority for the industry which has to approve the terms under which Abbey National's business is transferred to a newly created company at flotation.

The action was made to clarify issues arising from the Building Societies Act.

These are understood to have included the underwriting by the Society of a new shares issue to its voting members, the society's subscription to a block of free shares to investing and borrowing members, and a distribution of cash as compensation to members – such as minors – who qualify as owners of the society but are unable to take part in the vote on incorporation.

The Building Societies Commission can now approve Abbey National's plans.

Meanwhile, the three days' notice for the meeting given to Abbey National members in Northern Ireland was described yesterday as "disgustingly short" by Mr Alexander Sandison, vice-chairman of Abbey Members Against Flotation, a group of members fighting incorporation.

"I only hope Abbey National's board plans to give proper notice to members living in other parts of the United Kingdom." Mr Sandison said.

BR selects advisers to draw up sell-off plan

By Kevin Brown, Transport Correspondent

BRITISH Rail has appointed Lazards, the merchant bank, and Coopers and Lybrand, the management consultants, to help draw up an internal blueprint for privatisation.

The appointments reflect the determination of BR's senior managers to fight suggestions by some right-wing commentators that the corporation should be broken up to increase competition.

BR said it wanted to be "prepared to make the necessary input into the Transport Department's decision making process at the appropriate time."

Mr Stan Webster, director of Coopers' transport sector, said the firm had been asked to help BR "develop its thinking" on a range of issues, including the future requirement for subsidies, the implications of changes in the structure of the railway, and the "saleability" of the railway.

Four options for privatisation are being considered by Mr Paul Channon, the Transport Secretary. These are:

- Privatisation of BR's existing operations as a single unit, which is known as the "BR Plc" option;
- Creation of a number of regional companies along the lines of suggestions put forward by the Centre for Policy Studies;
- A track authority and a number of independent operating companies, suggested by the Adam Smith Institute; and
- Sale of BR's five existing business sectors – InterCity, Network SouthEast, Freight, Parcels and Provincial – as independent businesses.

All but the BR Plc option are regarded as unworkable by many railway managers and outside experts. Sir Robert Reid, BR chairman, has made clear that he believes any privatisation scheme which split the network would be disastrous.

Heavy trucks lead way in peak year for commercial vehicles

By Kevin Done, Motor Industry Correspondent

COMMERCIAL VEHICLE sales in the UK jumped to a record level for the second year in succession in 1988 led by particularly strong demand for heavy trucks.

Total commercial vehicles sales rose by 14.09 per cent to 356,783 vehicles compared with 312,730 in 1987.

The previous peak year was 1979 when commercial vehicle sales totalled 306,365. It is only in the past couple of years that the market has recovered from the deep recession of the early 1980s.

Imported vehicles claimed a record share at 39.73 per cent of the total market, compared with 38.11 per cent a year ago.

The surge in commercial vehicle sales continued in December with an increase of 12.11 per cent to 20,646.

In the truck market Iveco Ford, the UK joint venture between Iveco, the commercial vehicles subsidiary of Fiat of Italy and Ford of the US, strengthened its leadership ahead of its closest challenger, Leyland Daf, UK subsidiary of Daf of the Netherlands.

Iveco Ford increased its share of the truck market (above 3.5 tonnes) to 24.30 per cent from 22.91 per cent a year ago, reflecting a 24.34 per cent jump in sales volume. Leyland DAF's market share was virtually unchanged.

Heavy truck sales outpaced the rest of the booming commercial vehicles market with a jump of 18.75 per cent reflecting the continuing strength of UK economic growth and, in particular, strong demand from the construction industry.

The star performers in the heavy truck sector were ERF, the last remaining publicly-quoted independent UK truck maker and Foden, the small UK subsidiary of Paccar of the US, which clearly outperformed the major European truck producers.

ERF boosted its sales in 1988 by 49.18 per cent to 3,740 trucks and increased its share of the segment to 10 per cent from 7.96 per cent a year earlier. Its performance was bettered only by Foden, the specialist producer, which more than doubled its sales.

Ford maintained its dominance of the medium van market with its highly successful Ford Transit. Imported vans are making heavy inroads into the sector, however, as two UK producers Freight Rover, a subsidiary of Daf, and Bedford, a subsidiary of General Motors subsidiary, have lost market share. Importers captured 45.41 per cent of the medium van segment compared with 41.21 per cent a year ago.

Nissan of Japan increased medium van sales by 39.9 per cent, while the two French producers Peugeot, which includes Citroen and Talbot, and Renault raised their sales by 30.38 per cent and 27.68 per cent respectively.

UK COMMERCIAL VEHICLE REGISTRATIONS JAN-DEC 1988

	Volume (Units)	Volume Change (%)	Share (%) Jan-Dec 88	Share (%) Jan-Dec 87
Total Market*	356,783	+14.09	100.00	100.00
Imports	141,744	+18.94	39.73	38.11
Small vans (up to 1.8 tonnes)				
Total	117,652	+13.37	100.00	100.00
Imports	33,678	+8.90	28.62	29.80
Ford	36,844	+10.78	31.31	32.05
GM (Bedford)	31,847	+19.93	27.07	25.59
Rover Group	19,511	+10.56	16.58	17.00
Peugeot (incl. Citroen)	9,274	+13.83	7.88	7.85
Renault	6,331	+20.29	5.38	5.07
Medium Vans (1.81–3.5 tonnes)				
Total	150,339	+12.26	100.00	100.00
Imports	68,276	+23.72	45.41	41.21
Ford	62,994	+12.02	41.90	41.99
DAF (Freight Rover)	17,146	+1.84	11.40	12.57
Renault	11,864	+27.68	7.89	6.94
Nissan	11,459	+39.90	7.62	6.12
Peugeot (incl. Citroen & Talbot)	9,419	+30.38	6.27	5.39
Mercedes-Benz	8,338	+18.74	5.55	5.24
GM (Bedford)	8,192	-8.48	5.45	6.76
Trucks (over 3.5 tonnes)				
Total	67,918	+17.22	100.00	100.00
Imports	27,552	+17.23	40.57	40.57
Iveco Ford	16,506	+24.34	24.30	22.91
DAF (Leyland DAF)	15,264	+17.39	22.47	22.44
Mercedes-Benz	10,296	+23.31	15.16	14.41
Volvo	6,843	+12.86	10.08	10.46
Renault (RTI)	4,839	-7.99	6.83	8.70
Of which Heavy Trucks (over 15 tonnes)				
Total	37,410	+18.75	100.00	100.00
DAF (Leyland DAF)	9,065	+16.59	24.23	24.68
Volvo	6,259	+12.73	16.73	17.62
Mercedes-Benz	4,470	+21.70	11.95	11.65
Iveco Ford	3,748	+11.71	10.02	10.65
ERF	3,740	+49.18	10.00	7.96
Scania	3,150	+11.07	8.42	9.00

*Includes buses and light four wheel drive utility vehicles

Source: Society of Motor Manufacturers and Traders and industry estimates.

Electricity licences will allow companies to pass on costs

By Max Wilkinson, Resources Editor

THE PRIVATISED electricity industry will be able to pass almost all its costs on to domestic consumers, under the terms of the draft licences to be published today.

However, the three separate pricing formulae in the four different types of licence will put pressure on individual companies to become more efficient.

The licences show that the government-appointed regulator for the industry will have wide powers to approve the structure of prices to consumers and the tariffs for the distribution and transmission sectors. The regulator will also be able to put strong financial pressure on any private supply companies – the successors to the 12 area boards – which sign imprudent contracts for the purchase of wholesale power.

The licences require any generating station of more than 100MW (about a tenth the size of a new nuclear station) to be subject to hour-by-hour control by the National Grid, an independent company which will run the privatised network.

The plant will be forced to compete with all other plants every half-hour to be allowed to run. This condition is likely to be a disincentive to independent power suppliers.

Four separate draft licences are being published as a basis for the actual licences which will be required by any company in the electricity supply industry after it is privatised.

The longest licence, for "Public Electricity Supply," runs to 120 pages of protection for domestic consumers. It requires the regional supply companies to maintain adequate supplies and to satisfy the regulator that they have signed contracts for power to meet forecast demand increases.

They will be able to build their own power stations, but only up to a modest 15 per cent of their total requirements. The rest will be bought in the wholesale market from the two privatised generating companies.

The supply licence follows the precedent of the gas industry in restricting annual electricity price rises to a small amount less than the inflation rate, with provision to pass on any legitimate increase in the cost of wholesale power.

In the price formula RPI - X + Y, RPI stands for inflation, and X combines any increase in the company's capital costs with an arbitrary number intended to increase efficiency. This may be different for each supply company.

The Y term represents a proportion of the increase in the contracted price of electricity for the individual supply company and a proportion of the increase in nationwide wholesale electricity prices.

All these formulae can be changed with 18 months' notice if the regulator agrees.

Scrapping pre-emptive share rights 'a live issue'

By Richard Waters

THE TREASURY is thought to be considering the idea of scrapping legal backing for pre-emptive rights issues, under which a company's existing shareholders have first option on any issue of new shares by their company.

Mr Norman Lamont, financial secretary to the Treasury, said in a speech last November that doing away with rights issues might help the cause of wider share ownership.

He has not spoken publicly on the subject since then, but the Treasury yesterday described the idea as a "live issue." It declined to say, however, whether the subject was being actively pursued.

The possibility of the change drew strong criticism yesterday from institutional investors and representative bodies, which have successfully defended rights issues against attack in recent years. They questioned whether rights issues stood in the way of wider share ownership.

One leading investment manager said: "In terms of wider share ownership, the pre-emption issue is miniscule ... it is very marginal." Others agreed that there are more effective ways of promoting share ownership.

Large investors have consistently defended rights issues on the grounds that they protect the interests of existing shareholders. They prevent companies from diluting investors' holdings by selling shares to third parties, and enable shareholders to ensure shares are only sold to third parties at a fair price.

Under section 85 of the 1985 Companies Act, a company issuing new shares must offer them first to its existing shareholders.

It can get around this if shareholders pass an extraordinary resolution each year, or approve a change to the company's articles of association.

Astra TV satellite in place

By Raymond Snoddy

THE Astra satellite which will carry Mr Rupert Murdoch's six channels of Sky Television was successfully blasted into its final orbital position over the weekend.

Tests on the individual transponders, each of which can transmit a television channel, will begin later this month.

Astra, a 16-channel satellite launched by the Luxembourg company SES, will be capable of transmitting programmes by February 1.

Sky Television will begin transmitting four of its six channels from February 5.

Mr Alan Sugar, chairman of Amstrad Consumer Electronics, said yesterday the first 500 Amstrad satellite receivers had now been sent out to Dixons, the electrical goods retail chain.

Mr Sugar said that by April the 60cm receivers would be delivered at the rate of 100,000 a month and that over the course of a year the total production would reach 1m.

British Satellite Broadcasting, the rival direct broadcast consortium the shareholders of which include Pearson, the owners of the Financial Times, is due to launch a rival satellite in August.

This means that before the end of the year at least 12 new English-language television channels will be available to those prepared to buy or rent the receiving equipment.

TV channel creditors accept debt terms

By Raymond Snoddy

CREDITORS OF Super Channel, the satellite television channel taken over last year by Beta Television, the Italian television company, yesterday accepted 25p in the pound in settlement of debts of about £9.5m.

The agreement backed by more than 95 per cent of creditors clears the way for the company to come out from court-appointed administrators.

Mrs Marialina Marcucci, who will be managing director of the channel in future, said yesterday that the aim was now to create a truly pan-European channel.

One of the main themes of the satellite channel will be to provide news in all the main European languages.

Agreements have already been reached with both TF-1, the French first television channel and with RAI, the Italian state broadcaster for the provision of news. Talks are continuing with a leading West German broadcaster.

At the moment Super Channel gets its English language news from Visnews, the international television news agency controllers by Reuters.

Apart from providing news and music in future, Super Channel plans to have a different theme every evening of the week ranging from documentaries to sporting events and "cult movies" and general entertainment.

Former Morgan Grenfell chief named vice chairman Merrill Lynch Europe

By David Lascelles, Banking Editor

Mr Christopher Reeves, the former chief executive of Morgan Grenfell, has been appointed vice chairman of Merrill Lynch Europe.

He will be responsible for policy on the business development side.

Mr Reeves resigned from Morgan Grenfell nearly two years ago in the wake of the Guinness scandal in which Morgan was closely involved.

Mr Reeves later became a consultant to Merrill Lynch in New York amid reports that the Bank of England had vetoed his appointment to an executive position.

Those reports were denied by Merrill. Mr Reeves has never been charged with any offences connected with Guinness.

A Merrill spokesman said yesterday that the Bank had now approved the appointment of Mr Reeves to the vice chairmanship.

Mr Reeves has also registered with the Securities Association, the regulator of the securities business.

He will report to Mr John Heimann, the chief executive of Merrill's Europe and Middle east division, and chairman of its executive committee.

THE EAST MIDLANDS AIR CRASH

Pilots regard likelihood of both engines cutting out as "one in a hundred million"

Crash probe to focus on joint engine failure

By Michael Donne, Aerospace Correspondent

INVESTIGATORS into the crash of the British Midland Boeing 737-400 on the M1 motorway on Sunday evening will look first at the aircraft's engines to try to discover why both failed. Such joint failure, a rare occurrence in any twin-engined airliner, is regarded by experienced Boeing 737 pilots as a "one in a hundred million chance."

To win their Certificate of Airworthiness, twin-engined airliners must satisfy the regulatory authorities – in the case of the Boeing 737 both the US Federal Aviation Administration and the UK Civil Aviation Authority – that they is capable of flying for a considerable time on only one engine.

Twin-engined aircraft have been increasingly used in recent years for more arduous journeys, such as long transoceanic flights. This is particularly so with larger jets such as Boeing 757s and 767s. The FAA has, therefore, set the time permitted for flight on one engine at 120 minutes. There are plans to raise this further.

Accordingly, once having extinguished the fire in the port engine, the captain of the British Midland aircraft could reasonably have expected his aircraft to carry him on one engine to the safety of the East Midlands airport at Castle Donington only a few minutes' flying time away.

What appears to have doomed the aircraft was the failure of the remaining engine just as the jet approached the runway, leaving the flight crew no chance of making a conventional landing.

The engines are CFM-56-3s, the latest in a growing family of engines built by CFM International, a joint company owned 50-50 by General Electric of the US and Snecma, the French state-owned aero-engine manufacturer.

Alan Harper

The smashed British Midland aircraft on the embankment beside the M1 motorway where it crashed just yards short of the East Midlands airport runway

GE is responsible for the design integration, the core engine and the main engine control. Snecma is responsible for the low-pressure system, gearbox, accessory integration and engine installation. The first CFM-56 engine ran on the test-bed in 1974 and has been in service for nearly 10 years.

Nearly 6,000 engines have been ordered in various versions, in sales worth more than $15bn. Among other aircraft, they power the Boeing KC-135 tanker-transports and other aircraft of the US Air Force, re-engined Douglas DC-8 airliners, the European Airbus A-320 (Airbus is also designating it for the new long-range A-340 four-engined airliner), and all the latest of the Boeing 737s, the Series 300s, 400s and 500s (the earlier versions of the 737 used the US Pratt & Whitney JT8D engines).

The CFM-56 has logged more than 4m flying hours in all versions and nearly 70 airlines either use it or have it on order.

Accident investigators will seek to discover not only what caused the initial engine fire, but also what led the second engine to cut out so close to landing.

Sabotage has not been ruled out, but the evidence so far indicates a mechanical malfunction as the cause of the crash.

An early solution to the problem is of significance to the world airline industry, because of the widening market for the CFM-56 series.

CFM International is raising production of the engines to meet demand. It will build 700 engines this year and as many as 900 a year by 1991.

As well as sales for the Airbus A-320 twin-engined airliner, the engine is a best-seller in the Boeing 737 series. Last year, Boeing won orders for no less than 344 of the 737 aircraft, all powered by the CFM-56, bringing total 737 sales of all models (including those powered by Pratt & Whitney) to 2,264 aircraft. The British Midland 737 was a new Series 400 model delivered to the airline last autumn.

That fact will also be keenly studied by the investigators, since failure of two engines in a brand new aircraft is an especially rare occurrence.

The in-flight record of the engine in the 737s has been remarkably good. Statistics produced by CFM show that the CFM-56-3 engines alone have an "unscheduled shop visit" rate – that is, the need to take an engine into the maintenance shops for unexpected trouble-shooting – of only 0.085 in every 11,760 engine flying hours.

Boeing says that by last year the number of "in-flight shutdowns" of the CFM-56 – the number of times an engine in a 737 had to be switched off because of difficulties – was lower than 0.01 in every 1,000 engine flying hours, which was better than with the earlier Pratt & Whitney JT8D engines.

The main competition for the CFM-56 today is the International Aero Engines V-2500, built by the five-nation consortium comprising companies from the UK, US, West Germany, Italy and Japan, in which Rolls-Royce has a 30 per cent stake. But the V-2500 does not come into airline service until this spring.

The Boeing 737 itself also has a good safety record, although there have been some serious accidents. One was the engine fire in a Pratt & Whitney engine which destroyed a British Airways 737 on take-off at Manchester airport in August 1985, while last year one of the oldest 737s, in the fleet of Aloha Airlines of Hawaii, had to make an emergency landing when part of its fuselage ceiling peeled off in flight.

But the 737 is regarded as one of the most rugged and safest airliners ever built, which accounts for much of its popularity with airlines and flight crews.

Boeing has despatched one of its safety teams to help with the accident investigation, as has the Federal Aviation Administration, which is customary when a US-built aircraft is involved in an accident, even although it is on the UK aircraft register.

Aviation's private investigator sifts the evidence of disaster

By Michael Donne, Aerospace Correspondent

THE RECENT aircraft crashes in Lockerbie, Scotland, and near East Midlands airport in England, have put a severe strain on the resources of a little known but significant organisation in the UK civil aviation industry.

The industry's private investigator, the Air Accidents Investigation Branch of the Department of Transport (AIIB), is carrying a heavy workload following the crash of the Pan American Boeing 747 Jumbo onto Lockerbie in Scotland on December 21, and that of the British Midland Boeing 737-400 close to East Midlands Airport last Sunday evening.

The organisation is led by Mr Donald Cooper, formerly an operational pilot with the Royal Air Force (RAF) Fighter Command and a qualified flying instructor and test pilot, who has been with the AAIB for several years.

He leads a team of about 30 individuals, each of whom is ready at a moment's notice to travel anywhere in the world to conduct an investigation.

Every aircraft accident in the UK comes under its detailed scrutiny, while its presence is also to be found at accidents overseas where UK-registered aircraft are involved.

Moreover, its expertise is now so highly regarded internationally that its assistance is often sought by other countries in accidents which they cannot solve.

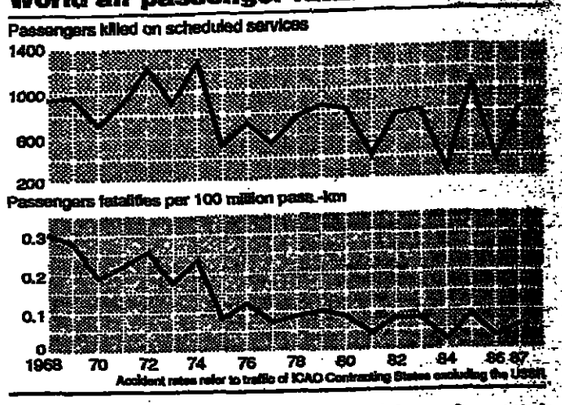
The AIIB, formerly the Accidents Investigation Branch, was formed in 1919 because of public concern about the number of aircraft accidents at that time.

The Air Navigation Act of 1920, and the Air Navigation (Investigation of Accidents) Regulations of 1922 confirmed the organisation's existence.

Initially, it was a pseudo-military organisation under the Air Ministry, concerned mainly with military aircraft accidents. Civil aviation was still in its infancy at the time.

It was only after the Second World War, when civil aviation expanded rapidly, that the organisation was transferred to the Ministry of Civil Aviation, subsequently coming under the jurisdiction of the Department of Transport – although it continues to provide technical support to the RAF when military accidents are involved.

World air passenger fatalities



The AAIB, based in Farnborough, Hampshire, has considerable powers, going well beyond those of other government bodies.

It is responsible to the Secretary of State for Transport, and through that individual, to Parliament.

Its members have complete authority when investigating accidents in the UK and they can command the total co-operation of other civil organisations, such as the police.

The AAIB can also call for assistance from other government organisations. In the case of the Lockerbie disaster, it sent parts of the Jumbo jet to the Ministry of Defence's Armaments Research and Development Establishment at Fort Halstead, Kent.

Its objective is not to be punitive, but to determine the factual causes of an aircraft accident.

The AAIB investigates scores of accidents during the year, ranging from the minor crash of a light, single-engined aircraft on a training flight, to that of a Jumbo jet falling on Lockerbie.

It has the power to make recommendations, which can sometimes result in major changes in UK civil aviation; for example, where new safety features should be incorporated on aircraft, or where major revisions of accepted maintenance and aircraft handling practices are required.

Most of its technological detective work is conducted in private and takes many months.

The investigations often involve physical reconstruction of accidents in its hangars at Farnborough, to determine just how an aircraft came to grief. The results of its activities are always published.

Its staff is selected from a wide range of individuals with experience of aviation.

One of its earliest successes was helping to solve the mystery of the Comet jet airliner crashes over the Mediterranean in the early 1950s.

As a result, the commercial aviation fraternity learned about the dangers of metal fatigue in pressurised structures.

Since then, it has solved many other cases. It was called in to help, for example, in solving the mystery of the Air India Jumbo crash off the coast of southern Ireland, which an Indian judge subsequently decided was due to a bomb placed on board.

The fact that the British Midland disaster is now under the total jurisdiction of the AAIB is accepted throughout the world civil aviation community as guaranteeing that, no matter how long it may take, the solution to the mystery will be discovered and proved beyond doubt.

Deaths upset safer travel trend

By Lynton McLain

RECENT serious air crashes have upset the long-term trend towards improved air safety, which had already begun to level off in the 1970s.

In 1987, the latest year for which there are official accident figures, international airline safety deteriorated compared with 1986 when measured in terms of deaths compared with traffic volumee.

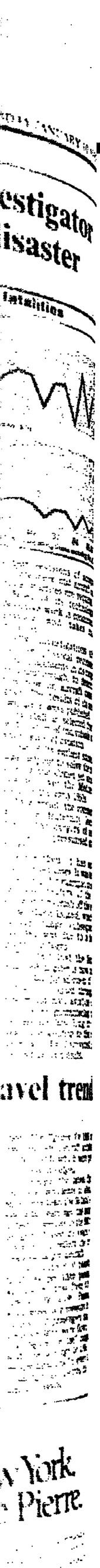
Although there are no totals yet for last year, there were at least 1,200 deaths in civil aviation accidents and the final figures are likely to show a record number of deaths compared with the previous worst year, in 1974 when 1,299 people died in 29 accidents. However, the number of fatalaties has to be set against the increase in passenger volume.

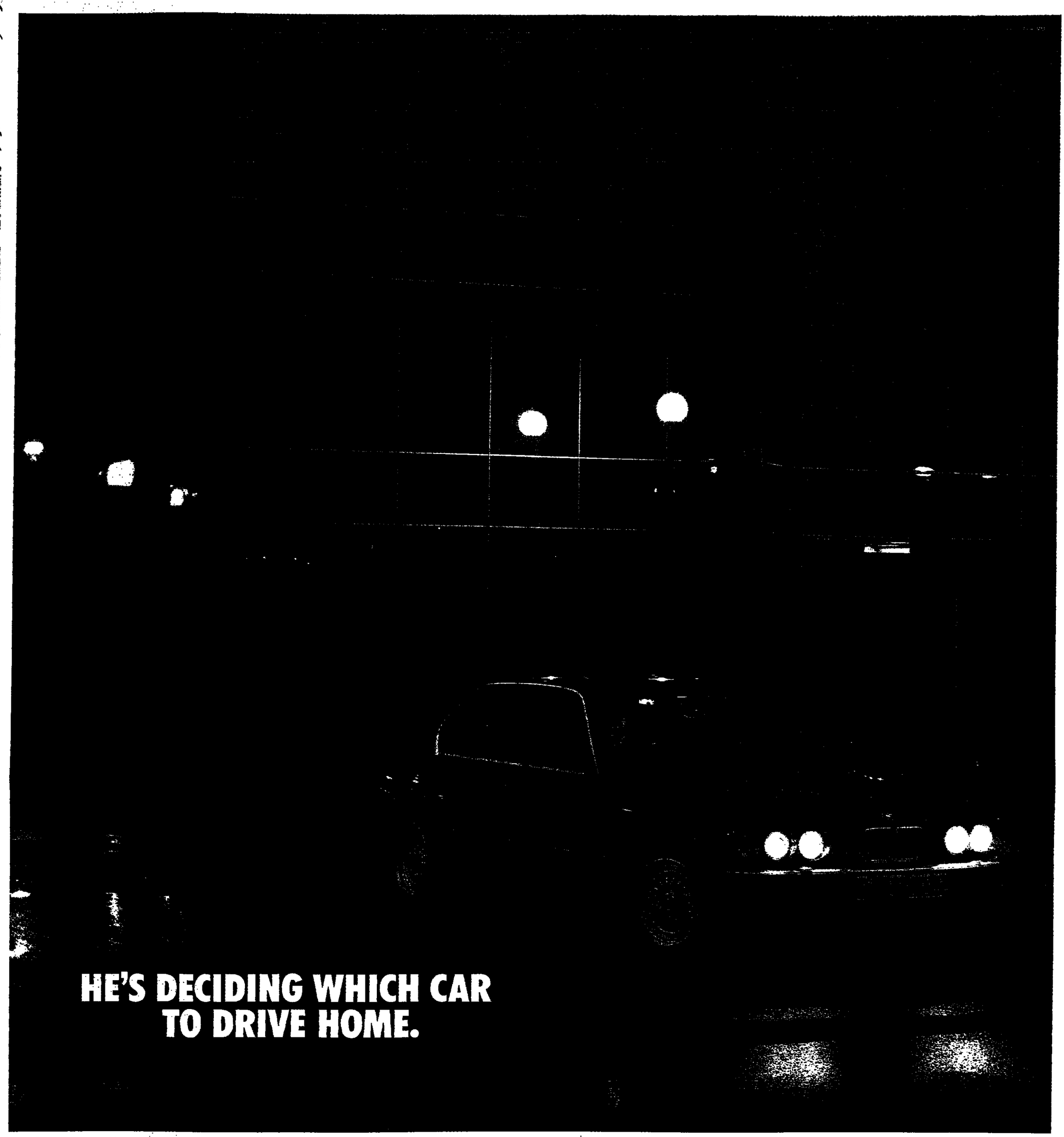
Last year's accidents culminated in the pre-Christmas disaster at Lockerbie when a bomb on board a Pan American aircraft caused the deaths of 270 people. That was Britain's worst aviation accident, but in the UK at least flying remains the safest way to travel, while motor cycling remains the most dangerous form of transport. Jet airliners remain safer than propeller aircraft.

There were 25 fatal aircraft accidents around the world in 1987 involving the death of 887 passengers and crew on scheduled services, according to the latest figures from the International Civil Aviation Organisation, part of the United Nations. This compared with 22 accidents and 546 deaths in 1986. The figures for 1986 and 1987 include aircraft accidents in the USSR which were previously not divulged.

Although the latest figure for fatal accidents is about a third less than the 36 fatal accidents 20 years ago, the number killed is similar to the 930 passengers killed 20 years ago. This could reflect the trend towards larger aircraft.

The number of passenger fatalities per 100m passenger-kilometres rose from 0.04 in 1986 to 0.06 in 1987. Passenger-kilometres is a measure of the number of passengers and the distance they were flown. The 0.06 figure for 1987 compared with the average of 0.056 passenger fatalities for every 100m passenger-kilometres for the last five years.





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A switch on the centre console allows you to adjust the firmness of the shock absorbers to suit road and ride.

While the BMW 735iSE offers you varying levels of performance, it offers only one level of accommodation.

The front seat adjustment is electric. The air-conditioning, automatic. The leather upholstery, hand-stitched.

The car is also as pleasing acoustically as it is aesthetically.

And any sounds that could not be killed have been deadened.

The result is a car that is, in Autocar's words, "marvellously quiet".

The dashboard and controls have received similar plaudits from the motoring press.

With nary an electronic display in sight, they were described by What Car? as "a masterpiece of ergonomic clarity".

Clearly, there is more than enough reason to go and test drive a BMW 735iSE.

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Time for a change

After seven years as the Small Business page, from today and on subsequent Tuesdays the Management Page will instead carry the subtitle of The Growing Business. Launched at a time of increased public and government interest in the UK small business sector, in its early years the page shared their preoccupation with the newly-established independent business set up usually by a youngish entrepreneur.

But it has become clear over the years that many of the concerns of the young independent company, on the Continent as well as in the UK, are equally those of the medium-sized business run by professional managers; of the long-established family company grappling with the problems of succession and growth; and, perhaps most surprisingly, of many subsidiaries of large publicly-quoted companies.

Family-owned companies may have several generations of experience to call on but they face the problems of maintaining their entrepreneurial drive and responding to changing markets.

Subsidiaries of large public companies may not share the independent entrepreneur's *difficulties in raising finance* but, following the slimming-down of much of British business during the 1980s, many subsidiary company managements operate with managerial resources as stretched as those of any independent businessman.

For example, when this page considered the problems facing small companies which had introduced computers, one reader, a management consultant, responded that in his experience large companies faced similar difficulties.

In the week that the page looked at the problems smaller companies had in managing their foreign currency exposure, several large publicly-quoted British companies announced results which had been adversely affected by sizeable foreign exchange losses.

When the page reviewed the experience of small companies in acquiring foreign language skills to increase their exports it came across a £10m-plus subsidiary of a publicly-listed company with extensive overseas operations which faced *identical problems.*

The message coming through from the businessmen interviewed for articles appearing on the page and from readers was clear. To cover only those companies which met the definitions adopted by the Bolton Report on small businesses in 1971 would be to ignore important areas of the business community which had to cope with similar issues.

Equally important, many businessmen do not like to think of themselves as small even if by most objective measures they are.

For the businessman who has started in his back bedroom or the garden shed, growing to the point of employing 20 people represents a considerable achievement. The school-leaver or graduate who makes use of business help agencies such as the Small Firms Service or the local enterprise agencies may – temporarily – accept that he is part of the small business world but often he too has bigger ambitions.

The professional manager in his thirties or forties who has left a senior position within a large company to set up his own business or who has staged a management buy-out *certainly does not regard* himself as part of the small business community.

As the 1980s have progressed, the framework in which smaller companies operate has also changed. A shift in government policy has contributed to this change but government itself has responded to changes in the business environment.

In the wake of the Bolton Report, which concluded that if nothing were done to help small businesses, Britain would have a largely "big business" economy by the beginning of the next century, governments devised specific programmes such as the Loan Guarantee Scheme to help small firms. But recently government policy has shifted decisively away from help for specific sectors of the business community to more broadly based measures such as tax reductions.

Where specialised support schemes have been introduced they have been aimed at helping the established business to grow rather than encourage start-ups. Government now puts more effort into nurturing the oak saplings and less into helping the acorns germinate. The Enterprise Initiative, which provides subsidised management consultancy advice, is available to companies employing up to 500 people, a cut-off point which takes in some quite sizeable businesses.

The private sector, too, has been reassessing its view of the smaller company. The 300 local enterprise agencies, which draw much of their funding and many of their staff on secondment from the private sector, have been rethinking their role as their original task, that of advising the unemployed how to set up in business, has become less important.

Awareness of the importance of the small business sector has increased throughout Europe over the past decade. Many continental countries already had well-established methods of helping the smaller firm: the French and West Germans through their chambers of trade and commerce; the Italians through their informal sub-contracting networks. The British lacked these networks but have successfully created a support structure in a remarkably short time.

Now, however, the network which has grown up to support small business has begun to change. For this reason, too, the Management Page has decided to re-name its coverage of the smaller company.

The Growing Business Page will continue to address the issues facing the one-person start-up or the newly-established venture struggling through its first difficult years. But after seven years a change of name has become necessary to reflect changing perceptions of the small business sector, the sector's own ambitions and the broader scope of the page itself.

■ *Next Saturday the Weekend FT will introduce a new service aimed at the smaller businessperson. Called Minding Your Own Business, the section will focus upon the people who are starting and running small, entrepreneurial businesses. Particular attention will be given to practical advice on how to set up in business and to the personal styles and qualities which can make or break a young enterprise.*

Jim White: "The old ways can hold you back" — Alan Harper

How to overhaul a creaking system

Charles Batchelor reports on the value of team-work

After 12 years of strong expansion, Rapid Recall, a supplier of computer hardware systems based in High Wycombe, Hertfordshire, was starting to feel the pains of growth. In addition, by early 1987, low-cost competitors were starting to make inroads into its basic business while IBM's move into the personal computer market had upset traditional distribution patterns.

Rapid's management had responded by attempting to move into more lucrative service-oriented areas such as systems development, consultancy and training but found that its workforce had not grasped the need for such a change and was dragging its feet.

Even more serious than this gap between management and workforce was a breakdown of understanding between the three directors and the company's four general managers.

The general managers took too narrow a view of their role and were acting more like sales managers, recalls Jim White, now managing director of the £47m turnover company. "The managers complained that the directors were not letting them do enough but the board of directors felt the managers weren't competent enough."

Like many other small, fast-developing companies, Rapid Recall, part of the publicly-quoted electronics group Unitech, was starting to find that the management structure and methods which had served it well in its early days were reaching the end of their useful life.

Similar problems were starting to affect Roy's Cooked Meats, a family-owned company based in Swansea, though it took the trigger of the sale of the company to Cliffords Dairies, a publicly-quoted group, in August 1987 to initiate management changes.

At a third company, Conran Roche, a London-based architectural and planning consultancy, the pains of growth were compounded by the need to develop management skills among people whose first commitment was to their professional disciplines.

"A company reaches a barrier where, if you stick to the old ways, they hold you back," says Rapid Recall's Jim White, who joined the company on the sales side when it employed just 17 people. It now has 240 staff.

"Life (at Rapid) had become more complicated and they needed a wider managerial view of things," says Wendy Briner, director of Teamworking Services at Ashridge Management College, a business school based in Berkhamsted, Hertfordshire. Rapid called in Ashridge to apply its team-working techniques to the company's problems. Team-working lays great stress on the importance of teams rather than traditional management hierarchies as a means of implementing change.

Team-working does not ignore conventional structures, however. It depends on identifying the most influential person or "sponsor" in an organisation pushing for change and on persuading senior management to give its support. But it then goes on to create teams of people from different disciplines to solve problems.

The Ashridge unit interviewed senior managers at Rapid; held a two-day workshop for the board of directors; and then took the entire senior management team of 27 people off for three days of participative sessions of working in teams. Eventually every member of staff will have had at least one-day of training.

For all its emphasis on team-work, the Ashridge approach seeks to achieve the same results as other management training methods: persuading organisations to plan ahead, to set clear objectives, to communicate them effectively to employees and to listen to what the employees themselves have to say.

White and his team have panned six "nuggets" from their Ashridge experience. Self-evident though they appear, they represent the counterpoint to Rapid's earlier action-driven approach.

Ashridge characterised Rapid's previous culture as being one of "Fire, Ready, Aim," says White. The company has now substituted a policy of Plan, Do, Review as its first nugget.

Set Clear Objectives is Nugget Number Two. Rapid, which is currently in the process of being sold by Unitech to Metrologie, a French company, is applying this nugget to deal with this change of ownership.

"In the past we would have played a situation like this by ear but now we want to be in control," says White. *Rapid is trying to anticipate the impact* of the sale on areas such as its warehousing operation, its own computer systems and the franchises it holds from computer manufacturers. It wants to be able to negotiate from a position of strength.

An important part of the team-working system lies in involving people whose views might be ignored in traditional management hierarchies. White found the warehouse staff resented the bunching of orders placed between 3pm and 3.30pm every day because of Rapid's commitment to make next day delivery of items ordered before 3.30pm.

The warehouse staff couldn't understand the need for such a system. But when it was properly explained and they felt involved they were happy to handle late orders and one division will now take orders up to 5pm, says White.

The communication gap between directors and managers has also been bridged by the two sides discussing questions such as why monitoring stock levels is important or how discounts have an effect on margins. Previously the managers had seen signs that things were going wrong but had not known how to interpret the financial signals.

At Roy's Cooked Meats, now renamed Roy's Quality Foods, the main problem was that Roy Phillips, the company's founder, had played such a dominating role that a proper management structure had never developed. Under him the company had grown in 22 years to turnover of £7m and a staff of 150 people.

"The old management team was very much centred round Roy," notes Ashridge's Julia Pokora. "All the decisions and the disputes came to him rather than to his managers. This was a very unsystematic way of management and very time consuming."

When Clifford's Dairies bought Roy's it felt a more formal management structure was needed to free Phillips so that he could devote more time to planning.

The management team was beefed up with separate managers appointed to head three previously combined divisions while weekly rather than quarterly performance reviews were introduced.

Unlike Roy's, Conran Roche did have a more collegiate system of management since its founders and many of its early recruits came from the Milton Keynes Development Corporation. Even so, by late 1986, when the company had grown to 60 employees, problems were starting to mount. (It now employs 90 people producing turnover of £3.5m.)

"The management system hadn't changed since the time we employed five people and it was beginning to creak," says Bob Pell, managing director. Management was being overwhelmed by problems; there was no clear recruitment policy and the informal system of internal communications was under pressure.

Few of the professional staff of architects, town planners and economists had any interest in management and those with managerial responsibility had been selected mainly on the basis of their professional skills.

Pell and the other directors set about creating mixed teams of professionals – both to handle contracts and to manage the company.

Financial matters are now handled by a six-person team comprising two planners, two architects, a development specialist and a solitary financial expert. Pell says that involving the professionals actually doing the work means that financial planning is more accurate while members of staff are exposed to the broader management issues at an early stage in their career. Pell is currently looking for a finance director but reckons all his other management jobs can be filled internally.

Adapting their management structure to cope with growth has not been easy for these three companies. Rapid had two attempts before it got its new structure right (the first failed because many staff members did not feel involved), while Conran Roche had to soothe the feelings of its people who had to relinquish management roles.

Creating teams is only one way of coping with the pains of growth. But unless growing companies can adapt their management to the increasing complexity size brings they will not realise their full potential.

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Interested parties should contact Box H4247, Financial Times, 10 Cannon Street, London, EC4P 4BY

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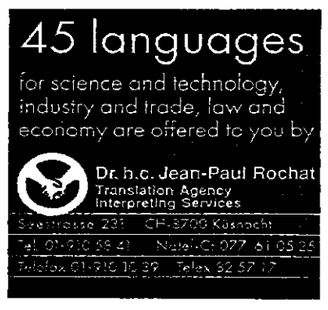
Principals only reply to Box H4248, Financial Times, 10 Cannon Street, London, EC4P 4BY

BUSINESS SERVICES



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Managing far-flung knowledge

Alan Cane reports on a breakthrough in the way companies utilise databases

A powerful computer technology is emerging which, for the first time, promises to allow companies to pull all the information stored on their various computers – mainframe, mini and personal – into a single system. It will enable their staff to use all the company information to which they are entitled without knowing where it is located or on what type of computer – something almost impossible at present.

The new technology – distributed database management – might seem the answer to a management services director's prayers. Indeed, it is expected to have a profound influence on both the supply and use of computer systems.

Nevertheless, it brings with it both promise and threat. It was pioneered, and is being driven forward, by IBM, the world's largest computer manufacturer. This virtually guarantees that it will be accepted by the world data processing establishment. However, experts believe that within a few years it will give IBM as dominant a position in computer software as it now enjoys in hardware.

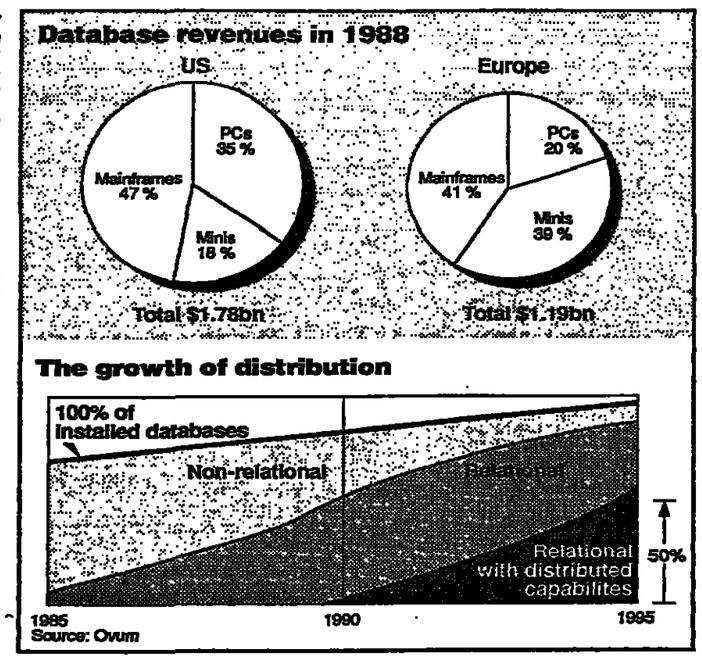
Companies and organisations which are exploiting the new technique include the London Metropolitan Police, Lufthansa, the West German national airline, and the Pentagon in the US.

What is distributed database management and why should it be so influential?

At the heart of any company's corporate activities lies its database – the information it needs to carry on its business. Since the beginning of the modern computer era, large companies have consigned that information – personnel records, payroll data, accounting information, business plans and records – to the data processing centre to be stored in the memory of the company's mainframe computer. Consequently, the data processing manager became the guardian of the company's information – responsible for part of the company's soul.

Business patterns and technology are changing, however, and many companies are decentralising their operations and dispersing data processing systems of various sizes and makes throughout their corporate structures. If it is hard to get one make of computer to communicate effectively with another (one of the main headaches of the data processing manager), imagine the difficulty of keeping the company's information resource secure once it is spread across a disparate collection of databases held on a variety of makes of computer.

Distributed database management seems the best approach to creating a "federated database" a term coined by Ovum, a London-based consultancy which has just published a report* identifying the principal trends in database development.



It is an approach which has only just become technologically feasible, since 1988 was a year of important improvements in the software on which distributed database management depends.

The London Metropolitan Police, for example, put out tenders for a turnkey system in 1986, awarding the £17m contract to the UK systems house Scicon (now SD-Scicon) in August 1987. The Ovum report notes: "In retrospect, the team realises that the required system would have been difficult, if not impossible, to implement in the early 1980s given the then technical options. However, by the time of completion it had become technically possible."

What has changed in the past 12 months is the performance of the software underlying distributed database management, an advanced approach called relational database technology. Conventional database systems depend on a system of pointers to navigate through the mass of information they contain. It is quick and efficient when the database is dedicated to a single area – payroll, for example – but unwieldy and inflexible when the database is serving the needs of an entire enterprise.

Relational databases, however, store information in tables as rows and columns, similar to a spreadsheet. The database consists of a set of these tables or modules which can be linked dynamically – that is, joined together in a variety of ways. All the tables, therefore, can be cross-referenced, one with another.

It means the end of the rigid structure of earlier database technologies and freedom to examine the data in a variety of ways. Each piece of data can be related to any other, assuming that there is a logical relationship between them.

It also follows that the individual tables can be dispersed across the enterprise's entire computing resources to create a distributed database.

Relational systems have been offered by a variety of vendors, including IBM, DEC, Informix, Relational Technology and Tandem, but take-up has been slow. The chief obstacle to progress has been performance – or rather, lack of it. Relational technology is a voracious user of processing power and the first systems were slow and power-hungry.

But as Keith Hales and Christine Guilfoyle, authors of the Ovum report, point out, 1988 saw a rash of announcements by relational database suppliers claiming significant improvements in performance. In April, for example, IBM launched a new version of its DB2 system, claiming a 50 per cent performance improvement over earlier releases. In May, Sybase claimed a 100 per cent improvement in the performance of its system. In July, Digital Equipment said the latest version of its RDB system was giving three to five times better cost per transaction per second than IBM's.

So, at last, relational technology is commercially effective. In the words of the Ovum report: "There is no longer any reason for not moving to relational databases. The performance of virtually every relational database on the market has now been improved to meet the transaction rates required in all mainstream commercial applications except the very largest, such as airline reservation systems."

And with such a fundamental improvement in the underlying technology comes the opportunity to exploit the advantages of tying together dispersed databases. Ovum interviewed the most advanced users and found that nearly all planned to move to distributed databases to some extent over the next four years.

And the threat from IBM? As in so many areas of computing, it has the opportunity to create a standard every other computing vendor will have to follow. Because the database is so critical a part of a company's data processing system, standards established in this area will inevitably influence every other component of the system.

IBM has designed a piece of software called SQL (originally a relational database query language but now an interface between the database and other parts of the system) which is becoming essential to the design of distributed database systems. It is also a key part of IBM's Systems Application Architecture (SAA), intended to bring conformity to the company's disparate computer families.

The Ovum report warns that by 1993, IBM will be able to offer distributed database management across all its principal computer families and will be driving industry standards like SQL: "Its influence will reach far beyond databases into systems engineering (Case) tools and other system software components. It will be the first tangible result of IBM's SAA concept."

Depending on the quality, scope and openness of IBM's distributed database standard, Ovum says, "it could well herald IBM's dominance of the software industry as a follow-on to its current position in the hardware market."

* *The Future of the Database. Ovum Ltd, 7 Rathbone Street, London W1P 1AF; tel, 01-255 2670; £550.*

Ruler sounds out measurements

GEO Instrument, a Dutch company, has developed an electronic ruler which can be used to work out areas, cumulative lengths and so on from drawings, photographs or objects.

Called Geo Lat, the ruler is used with an IBM model AT personal computer (or a compatible machine) and special software. It can work within an area 20 inches square and should find applications in construction, engineering, architecture and town planning.

Geo Lat uses ultrasonic measuring techniques. At each end of the ruler a microphone picks up ultrasound radiations from a stylus placed along the ruler's edge, on the point to be measured. The stylus gives out an inaudible sound signal which takes precise times to reach each microphone, enabling the software to work out the point's position.

When the stylus is placed on a second point, the distance between the two is calculated. If this were done for, say, the three sides of a triangle, the software could work out the sum of the sides and the area. A shape with any number of straight sides can be dealt with.

A menu of the possible activities (cumulative length, volume, area and a simple point counting function) is provided along the ruler's edge, the desired item being chosen by pressing the stylus on a picture.

With appropriate software, a picture of the object is built up on the PC screen and a numerical display of the measurements is provided. All the data can be stored on disk for future use.

The unmanned service station

ROUND-the-clock fuel, oil, air and vehicle washing facilities at unattended, card-operated roadside stations are beginning to find favour with fleet operators in the UK and may soon become available to ordinary motorists using credit cards.

Autovend, of Bradford, has already provided systems to two Royal Mail parcels depots (Birmingham and Leeds) and to Wm Morrison Supermarkets, near Wakefield. British Gas and the food group Allied Lyons also have installations. Autovend supplies systems made by Petrovend of Chicago.

Drivers use a company card which they insert in a terminal on the forecourt. After entering a four-digit security number and indicating which service they want, the chosen pump or other unit becomes available in the normal way. For fuel, the transaction ends when the hose is hung up and a receipt is automatically issued from the terminal.

A microcomputer controls everything on the site and can communicate with the company's central computer over telephone lines.

Information on each transaction is memorised by the system which can accommodate 20,000 card holders and 16 pumps. Data is retrieved from the site computer and fresh programming instructions are issued on a daily basis, if not more often.

Sensors keep a check on tank levels at the station and alert the central computer if any has fallen too low.

It is possible for more than one company to use a site and for each to receive monthly accounts and analyses of fleet consumption.

WORTH WATCHING

Edited by Geoffrey Charlish

Step forward for presentations

ONE OF the most sophisticated systems for audio-visual presentations in the business world is offered by Work Place, of Hertford in the UK.

The company provides a US-built desk-top control unit, with a liquid crystal display (LCD) which is touch sensitive. The unit will control any combination of film projector, video unit and audio source, which can be housed out of sight. Communication with the audio visual equipment is by means of an infra-red beam using technology similar to that for remote control of a television.

The desk-top unit can be programmed to show an array of "buttons" on the 2.0 x 7.5 inch LCD, which will control the equipment and functions needed for a particular presentation. Programming is carried out on screen using a directory of facilities stored in the machine.

The advantage is that the user does not have to worry about the banks of buttons often associated with a complex audio-visual installation.

A first page might show, for example, a menu for 35 mm slides, video, television monitor, room lighting, curtains and a clock. Having selected one of these, touching the "advance page" button will bring up on screen subsidiary function buttons.

The system can be programmed to work in foreign languages.

Great scope for cutting out paper

BIS Mackintosh, the UK-based market research organisation, believes that the world market for optical disk storage systems, put at $680m for 1988, will more than quadruple to $3bn by 1992.

More than 50 per cent of the market value to 1992 will lie in systems in the $100,000 to $1m price range.

The reason for the growth, says the research company, is that although there has been a big increase in the use of electronic communications and computers, paper has continued to loom large in most companies' activities. Its management has become a vital matter, particularly where extensive records are involved.

Optical disk systems allow large amounts of paperwork to be scanned, stored and rapidly retrieved in a relatively tiny space.

BIS Mackintosh runs a programme with the industry designed to help both vendors and users develop the best strategies.

CONTACTS: Geo Instrument: The Netherlands, 5788 4222. Autovend: UK, 0274 306907. Work Place: UK, 0992 581088. BIS Mackintosh: UK, 0582 405678 or in the US on (408) 982 8290.

FT LAW REPORTS

Digest of Michaelmas Term cases

FROM NOVEMBER 29 TO DECEMBER 23

THE KANCHENJUNGA
(FT, November 29)

In a dispute each side accused the other of having repudiated the charter. The owners refused to load at Kharg Island, specifically included in the sub-charter as a loading port but from which the master sailed after an air raid, while the charterers refused to nominate another safe port.

Taking a different view from the arbitrators who found for the shipowners, Hobhouse J held that the charterer's argument on waiver succeeded and they were not liable to the owners in damages.

He also held, however, that the owners were not in repudiation of the charterparty because although they had waived their right to treat the nomination of Kharg Island as non-contractual, they had a distinct right to rely on the War Risk clause incorporated in the charter, by way of defence.

In dismissing the shipowners' appeal, the Court of Appeal held that the owners, by their conduct, had waived their right to refuse to load at Kharg Island and it followed that the charterers were entitled to insist on the vessel's loading there. However, with regard to the cross-appeal by the charterers, even if it could be said that the owners had waived their right to exercise their discretion under the clause, the clause plainly conferred a separate and independent discretion on the master.

BRITISH AND COMMONWEALTH HOLDINGS PLC v QUADREX HOLDINGS INC
(FT, November 30)

In the instant case, the buyers were unable to complete the purchase of two money-broking businesses, under a contract that specified completion arrangements "as soon as reasonably practicable".

In giving summary judgement against the buyers, Hirst J stated that this provision pointed strongly to time being of the essence. Those considerations were strongly reinforced by the nature and subject matter of the contract, namely the sale of a business in the financial services sector of a kind which was prone to rapid and significant fluctuations of activity, profitability and value. Moreover the notice given to complete was reasonable and the buyers' own difficulties in obtaining finance were not part of the relevant circumstances to be taken into account in deciding on the reasonableness issue of the length of notice.

REGINA v SECRETARY OF STATE FOR TRADE AND INDUSTRY, EX PARTE R
(FT, December 2)

Section 105 of the Financial Services Act 1986 provides: (1)The powers of the Secretary of State shall be exercisable in any case in which appears to him that there is good reason . . . for the purpose of investigating the affairs . . . of any person so far as is relevant to any investment business which he is or was carrying on . . . The Secretary of State may require the person under investigation . . . to produce . . . specified documents which appear . . . to relate to any matter relevant to the investigation.

The section came into force on December 18 1986 but inspectors from Secretary of State for Trade demanded documents from a businessman from February 1 1984 to date. Granting the businessman's application for judicial review, Mustill LJ stated that there was no reason why Parliament should have given the Secretary of State powers to investigate putative investment business before the Act so as to enable the application of sanctions for its enforcement, when the scheme only began to come into existence on the first of the appointed days.

PORTER v HONEY
(FT, December 6)

Under the Town and Country Planning (Control of Advertisement) Regulations 1984, certain advertisements, including those for the sale of land, could be displayed with deemed and not express planning consent provided that such an advertisement was limited to one board (class III, para(a)).

In the instant case an estate agent put up a for sale outside each of two properties that he had been instructed to sell by the owners. Unbeknown to him, the owners then instructed other agents who put up their own boards and all the agents were found guilty of infringing the regulations and fined.

Allowing the first estate agent's appeal against the Divisional Court's decision to uphold his conviction, the House of Lords stated that the regulations only made sense and did justice if they were read as continuing the deemed consent for the display of the first board despite the unlawful display of subsequent boards.

THE FANTI THE PADRE ISLAND
(FT, December 7)

The Fanti was entered in the Newcastle Protection Club while the Padre Island was entered in the West of England Club. In both cases the listed claims included claims for cargo damage. Members were to be indemnified against claims that they should have become liable to pay and shall in fact have paid.

When the cargo owners sued the shipowners to judgment, the shipowners' companies were wound up and they proceeded against the Clubs for direct recovery under the Third Parties (Rights against Insurers) Act 1930. In the case of the Fanti the Club appealed against a decision against it whereas, in the Padre Island, it was the cargo owners who appealed.

Dismissing the Club's appeal, the Court of Appeal held that under the rules, it was the Club member who was subject to the burden of making payment and entitled to the benefit of enjoying the right to be indemnified. On the statutory transfer taking effect, it was more natural to treat both burden and benefit as being transferred to the third party so that both still attached to the same party.

But the condition of prior payment was impossible to perform once the statutory transfer had taken place and so had to be denied effect. Allowing the cargo owners' appeal by a majority, the Court of Appeal further held that the provision depriving members of accrued rights to indemnity on failure to pay calls was harsh and should be construed in favour of the member if such construction could reasonably be given.

PENNINE RACEWAY LTD v KIRKLEES METROPOLITAN BOROUGH COUNCIL
(FT, December 9)

When Pennine's planning permission to use land for drag meetings was revoked, it claimed for loss of income under section 164(1) of the Town and Country Planning Act 1971. Tax was deducted by the Tribunal in arriving at the figure for compensation. The Inland Revenue then assessed Pennine on the sum as a capital gain.

In a case stated, the question being whether the capita l sum was derived from the asset, the Court of Appeal held that Pennine had an asset which was the licence, and that asset depreciated in value when the planning permission was revoked. For that depreciation it was entitled to a capital sum by way of compensation, and its right to compensation was given because its asset had sustained loss directly attributable to revocation of the permission. It was clear that the capital sum was derived from the asset and that the council's submission that no capital gains tax would be payable failed.

WIMPEY INTERNATIONAL LTD v WARLAND ASSOCIATED RESTAURANTS LTD v WARLAND
(FT, December 13)

The appeals concerned the definition of plant for the purposes of section 41(1)(a) of the Finance Act 1971 which granted allowances for expenditure on plant for the purposes of trade. The items in issue included various fixtures to the restaurants such as shop fronts, floor and wall tiles, raised floors, stairs and accessory work.

The Court of Appeal stated that there was no single test as to what was plant, and the court should be especially reluctant to upset the commissioners' decisions in such cases unless it could be shown not only that they had erred in law but also that their error was palpable. The commissioners made decisions of fact and degree with which the court could not interfere but which in any case were eminently sensible.

HOME AND OVERSEAS INSURANCE CO LTD v MENTOR INSURANCE CO (UK) LTD
(FT, December 14)

From 1973 to 1981 a number of identical reinsurance contracts were made between Home as reinsurers and Mentor as reinsured. An arbitration clause provided that any dispute should be referred to arbitrators who shall interpret this reinsurance as an honourable engagement and in a reasonable manner rather than in accordance with a literal interpretation. Mentor went into voluntary liquidation. There were outstanding claims in the liquidation by various insured.

Home applied under RSC Order 14 for a declaration as to its rights under the contracts and contended that payment by Mentor to its insured was a condition precedent to its right to recover from Home.

That application for summary judgment was dismissed and, in dismissing Mentor's subsequent appeal, the Court of Appeal stated that the parties had agreed on their chosen tribunal where the arbitrators were given no more than the liberty to depart from the literal meaning if business commonsense so required *(The Antzios [1985] AC 191)*. Further, the points relied on by the defendant raised serious questions which ought to be tried and were thus not suitable to be dealt with in Order 14 proceedings.

IN RE HARRIS SIMONS CONSTRUCTION LTD
(FT, December 16)

An administration order for the company was made on the petition of its directors under section 8 of the Insolvency Act 1986, which gave the court jurisdiction to make the order if satisfied that a company is or was likely to become unable to pay its debts, and if it considers that an order would be likely to achieve one or more of the purposes specified in section 8(3), namely the survival of the company as a going concern and a more advantageous realisation of assets than a winding up would effect.

While the petitioning company was unable to pay its debts, it was not so easy to answer whether the order would be likely to achieve one of the specified objects, Hoffmann J stated. Although the court could not say it was more probable than not that one of the specified purposes would be achieved, it accepted the opinion of the prospective administrator that the making of an admin istration order offered the best prospect for preserving the company's future and maximising the realisation of its assets for the benefit of its customers.

ARCO BRITISH LTD AND OTHERS v SUN OIL BRITAIN LTD AND OTHERS
(FT, December 20)

The plaintiff and defendant companies entered into an agreement for joint exploitation of adjacent licence areas in the Balmoral Oil Field in the North Sea. The agreement provided for tract participations to be redetermined if required, calculation to be in accordance with Appendix C. Disputes arose over the redetermination. Most of the argument turned on a sentence in section 3.4.1 of Appendix C.

Dismissing the plaintiff's appeal against a decision that the interpretation of the agreement adopted by a contractually appointed expert was correct, the Court of Appeal stated that, in the absence of very clear indication, it would be wrong to infer or imply the requirement of the constraint that there was to be no deviation from the travel times specified in s.3.4.1. even if other well and seismic section data indicated an incorrect result. It would be out of accord with the whole nature of the exercise and would result in an expert being prevented from coming to a decision which he regarded as correct on all the data available.

THE FRECCIA DEL NORD
(FT, December 21)

The Admiralty Court had to decide at what moment it was seised of jurisdiction in an action in rem for the purposes of Articles 21 and 22 of the Convention on Jurisdiction as set out in Schedule 1 to the Civil Jurisdiction and Judgments Act 1982.

Article 21 provided that where the same action between the same parties was brought in courts of different contracting states any other than the court first seised shall . . . decline jurisdiction . . . and under Article 22 a court may . . . decline jurisdiction where related actions were involved.

Making a declaration on the motion of the defendant shipowners that the Admiralty Court could not hear the action where the plaintiffs had issued but not served a writ in England before the defendants had served the writ in Holland, Sheen J stated that the court could not be seised of an action *in rem* until the plaintiff had *either* served the writ on the ship or arrested that ship whereas there was powerful support for the view that an English court was seised of jurisdiction in an action in personam from the moment a writ was issued.

YOUNG, AUSTEN & YOUNG LTD v DUNSTAN
(FT, DECEMBER 23)

Young successfully contended before the special commissioners that it had a capital loss to carry forward capable of being surrendered to another company in the group because, when the company increased its share capital by 200,000 new £1 shares, it was a reorganisation of share capital within paragraph 4(1)(I) of Schedule 7 to the Finance Act 1965.

In allowing Young's appeal against a first instance decision upholding the Crown's contention that the case did not fall under paragraph 4, the Court of Appeal stated that reorganisation of a company's share capital was not a term of art.

In looking at the issue in the context of other paragraphs in the Schedule, the policy was that for capital gains tax purposes, there should not be a disposal of the original holding or an acquisition of the new holding where the shareholders remained the same and they held their shares in equal proportions notwithstanding changes in the number of shares within the same company or that old shares were replaced by new ones.

An increase of share capital could be a reorganisation even if it did not come within the precise wording of 4(1) provided that the new shares were acquired by existing shareholders because they were existing shareholders and in proportion to their existing beneficial holdings.

Aviva Golden

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN PIONEER ELECTRONIC CORPORATION

EDR Holders are informed that Pioneer Electronic Corporation has paid a dividend to holders of record 30th September, 1988 of Yen 20 per Yen 50 Share of Common Stock, and the Depositary has converted the net amount after deduction of Japanese withholding taxes into United States Dollars.

EDR Holders may now present Coupon No.5 for payment.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:-

Arab Republic of Egypt	France	Republic of Korea
Australia	Hungary	Romania
Belgium	Indonesia	Singapore
Brazil	Ireland	Spain
Canada	Italy	Sweden
Czechoslovakia	Malaysia	Switzerland
Denmark	The Netherlands	United Kingdom
Federal Republic of Germany	New Zealand	United States of America
Finland	Norway	Zambia
	Poland	

Failing receipt of a valid affidavit, Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate 20% will also be applied to any dividends unclaimed after 30th April, 1989.

Amounts payable per EDR of 1,000 Shares against Coupon No.5

Gross Dividend	Dividend Less 15% Withholding Tax	Dividend Less 20% Withholding Tax
US$160.45	US$136.38	US$128.36

Depositary:
Bank of Tokyo International Limited,
London

Agent:
The Bank of Tokyo (Luxembourg) S.A.
Luxembourg

10th January, 1989

NATIONAL BANK OF CANADA
USD 100.000.000
FLOATING RATE DEPOSIT NOTES DUE APRIL 1995

For the three months, January 9, 1989 to April 9, 1989, the rate of interest has been fixed at 9 5/8% P.A.

The interest due on April 10, 1989 against coupon nr 18 will be $ US 243.30 and has been computed on the actual number of days elapsed (91) divided by 360.

The Principal Paying Agent,
SOCIETE GENERALE
ALSACIENNE DE BANQUE
15, Avenue Emile Reuter
LUXEMBOURG

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN PIONEER ELECTRONIC CORPORATION

We are pleased to announce that copies of the English Translation versions of (i) The Notice of Resolutions at the 42nd Ordinary General Meeting of Shareholders of Common Stock of the Company held on 16th December, 1988, and (ii) The 42nd Business Report, prepared on a parent-alone basis, for the annual period ended 30th September, 1988 are now available to EDR Holders, upon application, to The Bank of Tokyo, Ltd., 20-24 Moorgate, London, EC2R 6DH, and the Agent, The Bank of Tokyo (Luxembourg) S.A. Residence St. Esprit, 1-3, Rue due St. Esprit, 1475 Luxembourg.

BANK OF TOKYO
INTERNATIONAL LIMITED
(London Depositary).
10th January 1989

LEGAL NOTICES

No 000876 of 1988

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
Re: SIMON ENGINEERING plc
- and -
Re: THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 19th day of December 1988 confirming the cancellation of the Share Premium Account of the above-named Company amounting to £39,702,125.57 was registered by the Registrar of Companies on the 22nd day of December 1988.

DATED the 31st day of December 1988

LINKLATERS & PAINES (DHC)
Solicitors for the Company

LEACOCK & COMPANY LIMITED

Registered number 236273
Trading name LEACOCK & COMPANY LIMITED
Nature of business PRODUCERS AND WHOLESALERS OF FANCY LINENS AND HANDKERCHIEFS, ETC.
Trade classification 13
Date of appointment of administrative receiver(s) 15TH DECEMBER 1988.
Name of person appointing the administrative receiver(s) THE NATIONAL WESTMINSTER BANK P.L.C.
BRIAN MILLS AND COLIN WISEMAN, Joint Administrative Receivers
(office holder no(s) BRIAN MILLS -2305
BOOTH WHITE & CO.
1, WARDROBE PLACE,
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Further details from Jill Elliott, 0703 592376.

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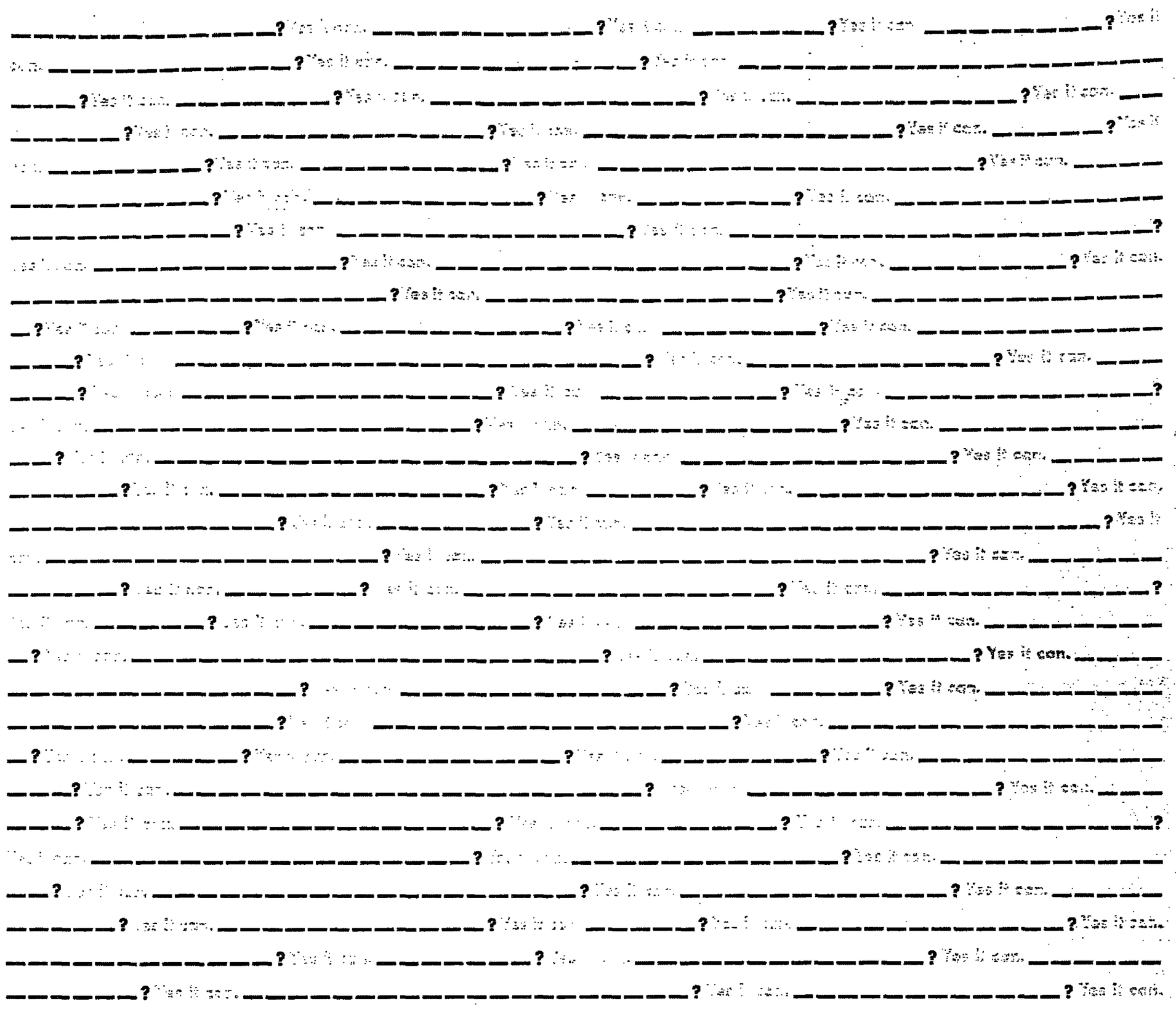

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Monet to Freud and beyond

As the National Art-Collections Fund launches a £3m appeal specifically for modern art, Sotheby's is exhibiting paintings which the Fund has already helped buy for the nation

Last night at Sotheby's, seen off by a generous number of the art world glitterati, the National Art-Collections Fund launched its £3m appeal for cash with which to acquire modern art for the nation's galleries. The distinguished figures gathered around Mr Richard Luce, the Minister for the Arts, were more generous with their encouragement than with their cash: at the moment the Modern Art Fund has £10,000 in the kitty.

The Fund is a brave venture, as much to do with changing attitudes as raising money. Too many people regard the NACF as a collection of well meaning old fogies, more interested in 17th century Italian Old Masters and 18th century English watercolours, than the art of today. It is undoubtedly true that the Fund acquired a genteel county image a decade or so ago, at odds with its early history as a patron of Rodin, a buyer of Monet in the 1920s, and even last year a contributor towards acquiring for the Ashmolean a recent Lucian Freud.

The exhibition *Monet to Freud* (until January 25: sponsored by Glaxo and reviewed below) shows off some of the 20th century masterpieces saved for the UK through the Fund, and, as was intended, goes some way towards updating the image of the NACF to assist the launch of the Modern Art Fund. It is hoped to acquire the money in three years but the new Development Board, set up by the NACF to bring in the cash, is well aware that it has a hard task on its hands.

The few rich patrons of modern art are financially exhausted after contributing to such costly ventures as the Clore Gallery and the Tate of the North. There is also the loyalty towards that other institution which has long battled for modern art, the Contemporary Art Society, which sets about its task of getting art into galleries in a different way but shares the same aims as the NACF scheme. (Could we be witnessing some empire building by the recently invigorated NACF with the CAS as a possible morsel for its consumption?).

Even if the Modern Art Fund does manage to draw in £3m for its endowment fund, this will only unleash around £250,000 a year for new purchases. But since the NACF acts as a pump primer for other sources of revenue, and also aims to acquire work by artists while they are a critical success but before they become international properties, this may not be too much of a drawback. The Fund will be assisting the purchase of £10,000 Bridget Rileys rather than £7m Jasper Johns.

Sir Peter Wakefield, director of the NACF, has quietened the fears of his more conservative board members by pointing out that the Modern Art Fund will release all the established resources of the NACF, currently around £14m, for more traditional purchases. The establishment of the Fund is also another useful weapon with which to beat the Government. He does not expect a contribution (although the Fund desperately needs a quick £500,000 donation to make it credible), but some consideration of a change in the tax laws, enabling owners of art to claim a tax rebate if they give works to museums in their own life time rather than wait for their own demise, could be the spark which gives this worthy and optimistic venture at least a chance of success.

Antony Thorncroft

"Laus Veneris" by Sir Edward Coley Burne-Jones (Laing Art Gallery, Newcastle upon Tyne)

Detail from "The Lady in Black: Mrs Don Wauchope" by F.C.B. Cadell (Scottish National Gallery, Edinburgh)

At the most obvious level the exhibition, *Monet to Freud*, is what it says it is, a generous selection from the many works of art of roughly the modern period that have been acquired by public collections with the Fund's help. But the modern period is hardly the NACF's exclusive concern; many of its subscribers, happy to rally to the cause of a Tiepolo or a Gainsborough, are less certain where they stand with a Picasso, to say nothing of a Bacon or a Pollock. Surely the Contemporary Art Society fills that gap. But the CAS buys to give on its own initiative: the NACF is there to step in to help in the particular case, where the client institution has set its sights on a particular work.

The exhibition is a mouth-watering affair, and a perfect demonstration of the Fund's peculiar usefulness and strength. It has played its full part in the acquisition of works of the first importance, such as the great Max Beckmann composition of 1920, Carnival, which came to the Tate in 1981, but not all such things were available. Which is perhaps just as well, for to overload this show with heavyweights might well have been to distort its emphasis.

For the extraordinary strength of this show lies in the richness and quality of the Fund's intervention at more modest levels, modest in terms of scale and apparent intention rather than of actual achievement. There are major works enough, in any case, to give the full story, from the magnificent "Laus Veneris" of Burne-Jones (Laing, Newcastle: 1972) to Augustus John's extravagant "Madame Suggia" (Tate: 1925), and Bonnard's "le Café" of 1915 nearby (Tate: 1942).

But again and again the smaller works are what surprise and shock us with pleasure, not necessarily by their unfamiliarity – indeed many are old favourites – but by the simple accretion and concentration of virtue. The small room full of drawings, by Degas and Cezanne, Whistler and Vuillard, Beardsley and Sickert, Matisse, the Johns, Forain and Lautrec, is alone worth every minute of the visit, the Vuillard pastel of the model in the studio (Fitzwilliam: 1978) the most exquisite of them all.

The emphasis overall falls naturally upon British art, but the effect is one of vindication and celebration, for there is nothing parochial or second-rate. The Gwen John self-portrait of 1900 (National Portrait Gallery: 1965) is simply as fine a painting as may be found in its own or any period. But this is no case of competition. The only game to play is the old sport of what to carry off, if only one could - the tiny Seurat of houses in the country (Walker, Liverpool: 1962); the Sisley riverscape (Leeds: 1945); the Matisse attic studio (Fitzwilliam: 1962); the Hammershoi interior (Tate: 1926); the David Jones of Lady Prudence Pelham (Stoke: 1987); the Bomberg bomb store (Imperial War Museum: 1988); the Auerbach head (Southampton: 1981); the William Nicholson (National Gallery of Scotland: 1943), the Sickerts, the Steers, the Monets, the Freud, the Degas – all the Degas?

The comfort is that they all do belong to us. The prices, where known, are given and with them the extent of the NACF's contribution, which is a fascinating study in itself. Was £315 (NACF £200) a good price for the Tate to give for Sickert's Aubrey Beardsley at Sotheby's in 1932? I should say it was money well spent. Here, in every case, it is money well spent.

William Packer

The Midsummer Marriage

CHANNEL 4

Channel 4's New Year gift to music-lovers is a three-programme series devoted to Michael Tippett, offered on three consecutive Sundays. Last Sunday's middle programme was a brand-new Thames Television film, specially made for television, of the first Tippett opera, directed by Elijah Moshinsky – an ambitious and in many respects extraordinarily successful attempt to re-think *The Midsummer Marriage* in the language of film. As, in addition, it was based on a wonderfully glowing, precise, rhythmically buoyant account of the glorious score (by the London Sinfonietta and Voices conducted by David Atherton, with a finely chosen team of principals), the total should be counted one of television's boldest ventures into the arts in recent times.

Film and Tippett opera go well together – the television version of Kent Opera's *King Priam* production proved the point not so long ago. The music of *The Midsummer Marriage* is perhaps not "cinematic" in the jump-cut, quick-scene-changing manner of the later operatic scores, but its dense infusion of symbol, myth and ritual into a comedy about young couples on Midsummer's Day cries out for the sort of many-layered treatment essayed by Moshinsky.

The setting, a grand country house complete with formal garden and temple somewhere in the heart of the English countryside, was ideal: it afforded both deft cross-referencing (from the everyday to the imaginary and back again, as in the long dance sequences of Act 2, finely choreographed by Anthony van Laast) and much quirky good humour, of the kind that Tippett's own libretto seems to disclose ever more with the passage of time. The presentation of the two Ancients as two Bloomsbury-ish or Sitwell-ish seniors, veterans of many highminded intellectual battles, was a delight (particularly as it allowed Sarah Walker and Roger Bryson the chance to give two such choice, and finely sung, cameos); likewise the Papagena-and-Papageno figures of Bella (Patricia O'Neill) and Jack (Peter Jeffes) were brilliantly re-worked – their Act 2 domestic dream unfolded in the front of his van, with Wimpyburgers and chips in hand, a comic, tender, unpatronising touch, and one of many.

No less discerning, and not dissimilar to Tim Albery's memorable Opera North production of the same work, was the blend of precise period (in this case, the up-to-date sunglasses-and-high-fashion dress for the young) and timelessness (the English landscape by which Tippett's vision and musical invention were inspired). Jenifer (Lucy Shelton) and Mark (Philip Langridge, singing superbly well) on their wedding-day spiritual pilgrimage undergo transformations which were not made ideally clear in the first act, but the erotic implications (drawn from Tantric symbolism) of their final union were fleshed out with dazzling skill – a whirling poetic vision of fire and coupling bodies entirely at one with the sense of the music and the words.

The climactic appearance of Sosotris the fortune teller, played by Janet Suzman at her most commanding and sung by Alfreda Hodgson, was perhaps the the one invention that failed to come off: Tippett's stage direction, "a huge contraption of human veils," suggests an intervention of the otherworldly not quite realised here. But in sum this was an opera film to enjoy, admire, and see and hear more than once: it brings genuinely fresh insights to bear on one of the century's most enthralling feats of music-theatre.

Max Loppert

La Bohème

COLISEUM

The seasonal operas are out in force this year. After their success with Rimsky-Korsakov's *Christmas Eve* a few weeks ago English National Opera are now following up with an opera whose first act actually takes place on Christmas Eve – *La Bohème*, still looking good in a production from the 1970s, though this year it seems the Rimsky had soaked up so much of the company's charm and magic that there was little left over for this Puccini.

If there is one positive aspect about the revival, it is the general air of youthful enthusiasm. This comes partly from the cast, all of whom either are the right age or at least look as though they are; and partly from the conductor, Michael Lloyd, who sets the piece off at a racing tempo, with singers and orchestra scrambling along behind in a race to catch him up. The concept is valid in itself and might well work if the playing was less scrappy.

What does harden audience response, though, and also makes this one of the least moving *Bohèmes* that I have seen, is a lack of tenderness in the central characters. The role of Mimi is a demanding one vocally and there are few singers who could make such a professional job of it as Rosamund Illing does. But the bright, gleaming tone and forward persona that one encounters on the surface do not begin to suggest a tender heart in her beating below.

To this less than fragile girl-next-door David Rendall's Rodolfo responds with as much delicacy as he can muster, but this is still a substitute for a Puccini tenor, rather than the real thing. The best performances are to be found among the fellow Bohemians: not perhaps Anthony Michaels-Moore's Marcello, a little more taxed by this part than one might have expected, but certainly Alastair Miles's eloquent Colline and Peter Coleman-Wright's keenly sung Schaunard.

That leaves the American Nancy Gustafson, making her ENO debut as an elegant Musetta, beguiling in appearance and just less than brilliant of voice. In retrospect, it might have been better if the roles of the two ladies had been reversed: it is possible to imagine Gustafson as a sympathetic Mimi and Miss Illing would doubtless make an impressive, diamond-hard Musetta. As it is, when you go to this *Bohème*, you can leave the Kleenex at home.

Richard Fairman

The Mozart Experience

QUEEN ELIZABETH HALL

This was the latest of Roger Norrington's exuberant forays into a past musical era. Drawing upon the ever-richer pool of musicians who are willing and able to wield period instruments and complementary styles of playing and singing, Norrington has had stirring successes with his reconsiderations of Haydn, Beethoven and Berlioz – stirring enough to ensure packed houses for his Mozart exercise at the weekend, with sponsorship by NatWest.

It had a specific focus: *Die Zauberflöte*, from the last year of Mozart's life. Norrington's original plan was to stage the opera as a climax to the proceedings, but we had to be content – and were – with a concert performance on Sunday afternoon. For Friday night a sampler of Mozart's whole 1791 output was promised, but again the plan was changed, and we got a mixed programme of other Masonic Mozart, dances and bits of other late pieces, and some related things: the Bach chorus which seems to have inspired the Armed Men's chorale in *Zauberflöte*, and the second-act finale of *Die Entführung aus dem Serail*, Mozart's earlier *Singspiel*.

All that was delightful, notably the sparkling account of the *Entführung* finale – Lynne Dawson a radiant Constanze, stylishly abetted by Maldwyn Davies, Nancy Argenta and Howard Milner – and the fervent Masonic duet unearthed for Davies and Stephen Varcoe. All the solo singers from the Early Opera Project collaborated in the motet "Ave verum corpus," which Norrington took decidedly up-tempo: less churchy than usual, certainly, but also less rapt. On Saturday and Sunday there followed various apposite lectures, leavened by solo songs, a little chamber music and some period dance; and then *Die Zauberflöte*.

The concert layout was odd and surprisingly successful, with the London Classical Players seated in an inward-facing oval at the front of the platform, Norrington conducting from the centre, and the soloists and the Schütz Choir above and behind them.

There was not the slightest problem of balance; in fact most of the score was rendered more transparently audible than one ever expects, much enhanced by the replica instruments. Basset-horns, wooden flutes and old-style timpani made a resounding case for themselves.

Above all, Norrington invested his very swift *Zauberflöte* – just over two hours, without severe dialogue-cuts – with an unparalleled verve and spring. One readily forgave the few tempi which seemed unconscionably speedy (that for Pamina's aria, for example), though there were points where more expansiveness would plainly have been welcomed by his singers.

When not rushed, Lynne Dawson made a lovely Pamina, and Anthony Rolfe-Johnson sang Tamino with the utmost distinction. Papageno was Gerald Finley, who boasted not only a preciously rich, warm baritone but manifest affection for his role. The Star-blazing Queen was Jennifer Smith, triumphant in her second aria, and Miss Argenta led a superb trio of Ladies, matched by the charming Three Boys (ladies again). David Wilson-Johnson was a doughty Speaker, and though Varcoe could barely reach Sarastro's bottom notes his lightweight eloquence served the character of the whole performance well enough. It all got a jubilant reception, and quite right too.

David Murray

ARTS GUIDE

January 6-12

OPERA AND BALLET

London

Royal Opera, Covent Garden: A new English-language version of Die Fledermaus by John Morthmer is introduced to the house in John Cox's (also new) staging, with a first-rate cast (including Carol Vaness, Thomas Allen, Dennis O'Neill, and Lillian Watson) and Adam Fischer as conductor. Handel's sublime Semele returns in the overdressed 1982 John Copley production, with Charles Mackerras as conductor and Yvonne Kenny, Anthony Rolfe Johnson and Kathleen Kuhlmann heading the cast, all in cracking form.

English National Opera, Coliseum: the 1977 production of La Bohème is revived with a cast headed by Rosamund Illing, David Rendall, and Nancy Gustafson. The ENO's new Rimsky-Korsakov rarity, Christmas Eve, produced by David Pountney (in his own translation), is a mixture that doesn't quite work, though there are certainly enough ingredients for a spectacular family show to provide some entertainment. Albert Rosen conducts, and the cast includes Cathryn Pope, Edmund Barham, Anne-Marie Owens, John Connell, and Nigel Douglas.

Festival Ballet performs its ghastly The Nutcracker every day at the Festival Hall.

Covent Garden, The Royal Ballet presents Cinderella on January 18.

Paris

Chatelet. Monteverdi's L'incoronazione di Poppea with the Scottish Chamber Orchestra is conducted by Peter Schneider in a new production by Pierre Strosa in costumes with distinctly Germanic overtones (40232828).

Théâtre de la Ville. Angelin Preljocaj is followed by Jean-Claude Gallotta and the Groupe Emile Dubois bringing with them Mammame Montreal, the great success of the Montreal Festival (42742277).

Brussels

Théâtre Royal de la Monnaie. A new production of Wozzeck by Alban Berg designed by Hans Neusebauer and conducted by Sylvain Cambreling. Jose Van Dam is in the Starring role. Cast includes Walter Raffeiner, Ricardo Cassinelli, Alexander Malta, Reinhard Dorn, Anja Silja and Christiane le Maitre. (Tues, Thurs).

Vienna

Staatsoper. Ballet: La Fille mal Gardée, conducted by Sasson, with Robert Kerns. Otello, conducted by Garcia Navarro. Cast includes Gabriele Benackova-Cap, Wladimir Atlantow, Richard Burke. La Traviata sung by Waltraud Winsauer, Richard Burke, Giuseppe Taddei. Salome, conducted by Hans Wallat, with Hildegard Behrens, Helga Dernesch, Anthony Raffell (51444. ext. 2660).

Volksoper. Hänsel und Gretel, conducted by Diefried Bernet. Das Land des Lächelns, conducted by Rudolf Bibl. Die Fledermaus, conducted by Rudolf Bibl. Kiss me Kate, conducted by Herbert Mogg. Der Freischütz, conducted by Konrad Leitner. Gasparone, conducted by Rudolf Bibl (51444 ext 2662).

Amsterdam

Muziektheater. Philip Glass's opera The Making of the Representative from Planet 8, from the novel by Doris Lessing, in a Muziektheater co-production with the Houston Grand Opera, the English National Opera and the Buhnen der Landeshauptstadt Kiel. The Netherlands Philharmonic and the Choir of the Netherlands Opera are conducted by Bruce Ferden, with soloists Andrew Shore, Richard Angas, Lesley Garrett and Christopher Gillett (Wed) (255 455).

The National Ballet on tour with Peter Wright's production of Giselle. Fri in Utrecht, Schouwburg (31 02 41), Tue in The Hague, Danstheater (60 49 30). Thur in Rotterdam, Schouwburg (411 81 10).

Berlin

Opera. Simon Boccanegra conducted by Guiseppe Sinopoli returns with a new cast led by Catharine Malfitano, Juan Pons, Simon Estes and Warren Mok. Der Troubador, sung in Italian, is a Herbert von Karajan production. Lady Macbeth von Mzensk features Karan Armstrong, Kathryn Montgomery-Meissner, Dimiter Petkov and William Pell. The fine new Götz Friedrich production of La Bohème has fine interpretations by Kallen Esperian (Mimi), Antonio Ordonez (Rodolfo), Gwendolyn Bradley (Musetta) and Andreas Schmidt (Marcello). The Ballet Notre Dame de Paris jointly choreographed by Maurice Jarre/Roland Petit rounds off the week.

Hamburg

Opera. Der Nussknecker has wonderful John Neumeier choreography. Peter Palitzsch's self-willed new production of Fidelio in which Florestan is crucified adds nothing to the original. Turandot stars Olivia Stapp in the title role, Yoko Kawahara-Stobinski (Liu), Lando Bartolini (Kalaf) and Karl Schultz (Timur).

Cologne

Opera. There was much applause for the new Harry Kupfer production of Lady Macbeth von Mzensk, when it opened with Marilyn Schmiege, Aage Haugland, Guenter Neumann and Jean van Ree.

Bonn

Opera. Der Nussknacker has fine choreography by Youri Vamos. The long awaited new Fledermaus provoked heavy protests against the ultra modern Bernard Broka production. Luckily the singing by Ludwig Baumann, Hanna Schwarz, Georg Tichy and Julia Conwell redeemed the production.

Frankfurt

Opera. Rolf Liebermann's opera Der Wald will have its premier this week, produced by Adolf Dresen. The main parts are sung by Renate Behle, Sonia Theodoridou, Hellen Kwon, Elsie Maurer, Tom Krause, Willy Mueller and Bodo Schwanbek. Also Behind the China Dogs, jointly choreographed by Amanda Miller and William Forsythe.

Stuttgart

Opera. Die Entführung aus Dem Serail is sung by Yoko Nakamura, Marianne Hirsti, Charles Brauer, Uwe Heilmann, Heinz Goehrig and Helmut Berger-tuna together. Der Karottenkönig is a well done repertoire performance. Fidelio features Lisbeth Balslev, Ulrike Sonntag, and Roland Bracht. Madame Butterfly has a strong cast with Awilda Verdejo, Helene Schneiderman, Helmut Holzapfel, Karl-Heinz Eichler and Mark Munkittrick.

New York

Metropolitan Opera House, Lincoln Center. Le Nozze di Figaro is conducted by Mark Elder in his premiere season, with Kiri Te Kanawa as Rosina and Thomas Hampson as Almaviva. Aprile Millo sings Aida, with Vladimir Popov replacing Placido Domingo as Ramades and Alain Fondary as Amonasro, conducted by Christian Badea. In the final performances of Hansel and Gretel conducted by Christof Perick, Frederica von Stade sings Hansel and Judith Blegen, Gretel (362 6000).

New York City Ballet, State Theatre, Lincoln Center. The 40th anniversary season features 26 works by George Balanchine, nine by Jerome Robbins, five by Peter Martins and a month of Balanchine's Nutcracker. In addition, works by Laura Dean, Eliot Feld, William Forsythe, Lar Lubovich, commissioned for this season, will be interspersed in the season, which ends Feb 26 (496 0600).

Washington

Washington Opera, Eisenhower Theater, Kennedy Center. The first of seven performances of a double bill of Weber's Abu Hassan and Mozart's The Impresario revives works set at a local theatre in 1880, which was first produced 10 years ago. Evelyn de la Rosa and Sally Wolf are battling rivals for top billing in Weber's intepretation of the Arabian Nights. Theodore Baerg continues as Figaro and Ruth Ann Swenson as Rosina in The Barber of Seville, as directed by Leon Major and conducted by Joseph Rescigno (254 3776).

Chicago

Lyric Opera, Civic Opera House. Susan Dunn plays Aida to Giuseppe Giacomini's Radames in Nicolas Joel's production conducted by Richard Buckley. (332 2244).

Strangers

OLD RED LION

The key line of Ian McEwan's nasty little novella *The Comfort of Strangers* comes near the end, when the crippled Canadian wife of the Italian pervert Robert talks of fantasy passing into reality. "It's like stepping into a mirror," she tells the drug-numbed Mary, who is about to witness the sacrifice of her lover to that fantasy. Dress it as he may in the dialectic of sexual politics, McEwan's eye for the charisma of perversion is wide open; his writing reeks of it. It is the thinking person's snuff pornography, all the more unpleasant for being dramatised – as it is here by the touring company Empty Space.

This excellent little ensemble, under the direction of Andrew Holmes, has made its mark with bare-stage dramatisations of novels, from Scott Fitzgerald, through Henry James and most recently D.H Lawrence's *The Rainbow*, apparently pushing itself ever further away from obviously dramatic territory.

Its latest endeavour takes it into familiar geographical territory. Like *The Aspern Papers*, a notable previous success, *Strangers* is set in a Venice of public virtues and private vices in which Colin and Mary are tourists. The company is at its best evoking the delicate details of environment – the chugging of motor launches on their way to the cemetery island or the distant wailing of a child are created with the voice. Chunks of McEwan's narrative are cut up and lightly tossed between the four performers, who weave in and out of character to set the principal players in a city heaving with people. On this level, the show succeeds admirably. Where it falls short is in capturing the drive of McEwan's writing towards a conclusion that is inevitable without being immediately apparent.

Whereas in the novel, the incidental detail serves to intensify the sense of sinister intent of a piece in which little except sex actually happens, in the play it often acts as a distraction. And whereas Kathleen Campbell is good at conjuring the self-sacrificial plainness of the abused wife, Chris Lailey, shirt unbuttoned to the waist, neck festooned in gold chains, is not mat-chested, bullish nor somehow Latin enough to complete the contrast with Tim Shoesmith's boyish Colin. If titillation is mercifully avoided, so too is a sense of the unspoken compulsion that drives Colin and Mary (Caroline Payne) back to meet their fate. What remains is too slender to justify a two-hour show.

Claire Armitstead

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Tuesday January 10 1989

Mega-bids in electronics

THE STRUCTURE of the British electronics industry seems likely to be changed substantially in the next few months. Some change is desirable, but mergers are no guarantee of improved corporate performance. There is always a tendency to exaggerate the gains and underestimate the difficulties of putting two large companies together. What matters is the quality of management. This is the issue which institutional shareholders, as they consider the bids and counter-bids now being prepared, should have at the forefront of their minds.

For the Government, the immediate task is to decide, probably this week, whether to refer the GEC/Siemens bid for Plessey to the Monopolies Commission. The bid will only escape a reference if the Ministry of Defence is satisfied, perhaps by undertakings on the part of GEC to sell off certain Plessey businesses, that competition in defence procurement will not be damaged. The latest bid is different from the one in 1985 (which was referred), because of the involvement of Siemens and the plan to run Plessey's defence business separately from GEC-Marconi, but it would not be surprising if the Government again insisted on fuller scrutiny by the Commission.

Competition issues

The same applies to the consortium bid for GEC, if it materialises as a firm proposal. Even if the Government steeled itself to regard a change in ownership of GEC as a matter for the market to decide, the planned transfer of GEC-Marconi to other defence contractors would presumably raise competition issues worthy of a reference.

There is, however, a wider question: what is all this restructuring for? Europe is going through a merger wave, partly because of the stimulus coming from the Community's 1992 internal market programme, partly because the idea of leveraged bids for very large companies previously considered bid-proof is spreading from the US. A notable feature of the consortium bid for GEC is the involvement of a leading British clearing bank, Barclays.

Some of the deals do make commercial sense. Economies of scale in the manufacture of public telephone exchanges justify the pooling of GEC's and Plessey's interests in the field. The addition of Siemens will reinforce the venture's technical and marketing resources. Similarly, Plessey's semiconductor business might benefit from being part of a larger semiconductor group. But everything depends on the markets and products involved. There is no virtue in size for its own sake, still less for an agglomeration of "everything electronic" under one roof.

Disparate businesses

Critics argue that GEC is an agglomeration of disparate businesses, that Lord Weinstock, its long-serving managing director now aged 64, has missed opportunities in non-defence electronics and that a break-up is the best way of unlocking the values hidden in the company. Is this criticism valid? GEC's portfolio of businesses is more logical than that of some other electrical groups, such as its namesake General Electric in the US. The charge of missed opportunities can be levelled against Ferranti, Thorn, Plessey and others, some of whom are hoping to take over GEC assets. A break-up is an extremely risky method of remedying management failings and the ensuing upheaval could cause serious harm to some strong, internationally competitive businesses.

All this may be academic if the consortium turns out to be a chimera. What is not academic is that there are valid doubts about the top management of both Plessey and GEC, especially the former. Whether his bid for Plessey succeeds or not, there is a great danger that Lord Weinstock, as others in this industry have done, will stay too long as full-time executive chief and fail to make adequate arrangements for the succession. If the indignity of the consortium bid, together with pressure from institutional shareholders, encourages him to grasp this nettle, it will have served a useful purpose.

Israel's other challenge

OF THE MANY challenges facing the new Israeli Government led by Mr Yitzhak Shamir, the most important may well be economic rather than purely political.

Mr Shimon Peres, the Labour leader, tacitly acknowledged the scale of the economic problem by agreeing to move from the Foreign Ministry to Finance. Inflation, that chronic Israeli disease which was temporarily brought under some control by the previous Government's 1985 Economic Stabilisation Plan, is on the way up again. Unemployment has reached the (for Israel) uncomfortable level of 7.5 per cent of the workforce. Economic growth has slowed to virtual standstill under the twin influences of the Palestinian uprising and Israel's very high real interest rates.

Mr Peres has moved swiftly to tackle the more obvious symptoms. Since late December he has devalued the shekel twice (by a total of 12 per cent), obtained cabinet approval for an emergency package of budget cuts and embarked on negotiations with the Histadrut trade union movement aimed at securing real wage cuts. Israeli officials hope these measures – which are at best temporary palliatives – will usher in a gradual resumption of export-led growth and win them breathing space to implement vital structural reforms. The danger is that the macroeconomic symptoms will continue to prove a good deal more tractable than the underlying malaise.

Loss of competitiveness

Israel's real problem is a fundamental loss of competitiveness, and is traceable to three related causes inherited from the country's socialist founding fathers: an excessively large public sector, mismanagement of industry by the labour movement, and rigid markets for labour and capital.

The Israelis may be an innovative people, but the country's economic structure leaves precious little room for private enterprise to flourish. The private sector accounts for only a third of economic activity, with the Government and the troubled "socialist economy" – the kibbutzim and the trade union holding company, Hevrat Ha'ovdim – taking up the other two thirds.

Despite the welcome exchange rate and price stability brought by the ESP in 1986 and 1987, lamentably little has been done to confront these issues head on. If anything, the labour market has actually become more inflexible in the last two years. The public sector has stopped growing, but it continues to absorb more than 45 per cent of gross national product in the form of tax receipts and to squeeze the private sector out of the local capital market. Where budget deficits have been reduced in recent years, it has been by *raising* taxes – against the international grain – as much as by cutting into politically sensitive areas such as spending on defence, health, education and subsidies.

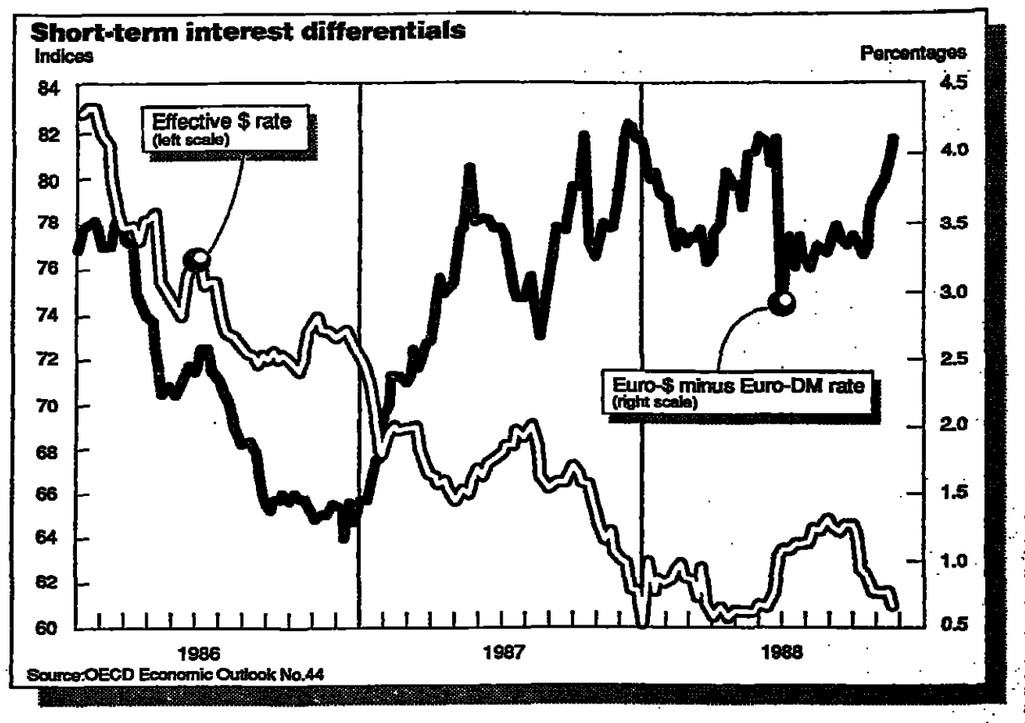
Brain drain

The result of all this is that investment and savings remain worryingly low for a country still in the throes of development and Israel remains addicted to aid handouts. Just as disturbing for the Government is the fact that new jobs are not being generated in anything like sufficient number to attract new immigrants and that Israel has for some years been suffering a modest "brain drain" of scientists and engineers to countries where they are better paid and less heavily taxed.

This is not to say that there are no signs of change. As the crisis unfolding at Koor Industries illustrates, the Israeli public is coming to accept that it cannot expect the Government indefinitely to bail out troubled enterprises, just as the Government is aware that it cannot expect an open-ended bail-out from the US.

The trade agreements currently being implemented with the European Community and the US are likely to introduce a healthy breeze into hitherto protected parts of the economy. But it remains open to question whether reform will be fast or radical enough to secure Israel's competitive position in its major export market – Europe – by the time the next election is due in 1992.

Peter Norman on prospects for further international economic co-operation



Source: OECD Economic Outlook No.44

Central bankers look to the US

In the weeks since Mr George Bush's election as the next US president, the world's leading industrial powers have paraded the Janus face of modern-day international monetary co-operation.

At their most effective, the Group of Seven countries and some smaller ones intervened in the first few days after the election to halt a sharp slide of the dollar on foreign exchange markets. Less impressively, they have been unable to agree over whether their finance ministers and central bankers should meet after Mr Bush's inauguration later this month to discuss the dollar, the US budget and the further course of co-operation.

The G7 countries – US, Japan, West Germany, Britain, France, Italy and Canada – are at a crossroads. Many G7 officials believe the next 12 months could be a make or break period for co-operation, depending largely on how far the Bush administration can fulfil its promises to tackle the US budget deficit.

Supporters of further co-operation argue that G7 policies in the three years since the September 1985 Plaza Agreement on co-operative action to depress the value of the dollar have helped restore strong growth in the world economy. Others say that the G7 process is good only for crisis management and any more comprehensive policy co-ordination is doomed because of inherent inconsistencies between international and domestic policy goals.

The good news as the year opened – that growth in 1988 in the industrialised world exceeded 4 per cent – was counter-balanced by familiar worries about Third World debt, inflationary pressures and the continuing imbalance between the large US current account deficit and the surpluses of West Germany, Japan and the newly industrialising economies of South East Asia.

But if past achievements are any guide, there are powerful arguments for taking international co-operation further.

- The orderly dollar depreciation after Plaza and the efforts to keep exchange rates broadly stable since the February 1987 Louvre Accord to promote currency stability have been more successful than the financial markets or commentators originally believed possible.
- There is a school of thought, followed by Mr Nigel Lawson, the British Chancellor, that the periods of relative exchange rate stability established under the Louvre Accord have played an important role in boosting business confidence and promoting growth and the present worldwide investment boom.
- A further indication of confidence is that only a small part of the $130bn US current account deficit estimated for 1988 was financed by central bank intervention. The year before, foreign central banks financed at least 60 per cent or $100bn of the deficit.
- After frenetic speculative activity in 1987, currency markets treated the stabilisation efforts of the G7 with notably more respect last year, after being caught in a costly central bank "bear trap" early in January. At that time, sudden, co-ordinated intervention to prop up the dollar when it had been oversold forced commercial banks to cover open positions at considerable cost.

The bear trap not only inflicted financial pain on overstretched foreign exchange departments. It testified to the increasingly skilled use of currency intervention by central banks – towards the end of 1987, those with large-scale experience of intervention, such as the Bank of England, shared their knowledge with relative novices such as the New York Federal Reserve Bank.

- At finance ministry level, officials closely involved in international economic policy co-operation have generally established good working relations with their counterparts in the G7. In some respects, the G7 almost begins to look like a directorate for managing the world economy.

The US-inspired policy of tracking economic developments by using mutually acceptable economic indicators provided by the International Monetary Fund has broadened the scope of discussions to cover aspects of national policy such as budgets as well as exchange rates. Although this is an exercise in persuasion, involving "peer group pressure" among the seven, it accounts for an increasing part of G7 discussions. According to one G7 deputy, the ministers now spend as much as 70 per cent of their meetings on matters other than currencies.

Co-operation has been underpinned by memories of the early 1980s. Non-US officials shudder visibly when they recall the period to 1985 when Mr Donald Regan was US Treasury Secretary and allowed the dollar to soar. The super-dollar exported inflation to the US's trading partners, stifled growth in their economies by forcing them to keep interest rates high and stimulated US protectionism.

More recently, the October 1987 stock market Crash gave a vivid reminder that national economies are interdependent. The row between West Germany and the US over economic policy preceding the Crash helped to strengthen the idea that international co-operation is essential.

But the months before and after the Crash showed that targeting exchange rates can be a mixed blessing and raised questions as to how far co-operation can be taken. One sign of a more sober climate: ideas put forward by Mr Lawson in September 1987 to develop the Louvre Accord into a system of "managed floating" have been in abeyance since the Crash. With hindsight, the Louvre Accord goals of currency stability, low inflation, economic growth and a reduction in the global current account imbalances appear too ambitious.

If the past is any guide, there are powerful arguments for taking international co-operation further

Throughout 1988, the G7 was confronted by doubts as to whether exchange rate stability and counter inflation policies are compatible. Recent figures suggest that the process of reducing the current account imbalances has also come to a halt.

At $7.4bn, Japan's current account surplus for November 1988 was 8 per cent up on the level of November 1987. West Germany's DM 101bn visible trade surplus between January and October 1988 exceeded the DM 94bn of the same period of 1987. Although the US merchandise trade deficit declined to $94bn in the first three quarters of 1988 from $119bn in the same period of 1987, recent monthly returns have shown the improvement slowing.

Revisions to the Louvre accord, and in particular a G7 agreement in December 1987, have led to changes in the unpublished margins of fluctuation for the member currencies. The agreement has also evolved into a flexible or "soft" system in which the participating central banks can accept currency movements beyond the accepted fluctuation margins, if they judge that these are temporary and can be reversed at a later date.

But the accompanying chart, showing wider and generally more volatile interest rate differentials over the past 22 months, illustrates how co-operation still depends heavily on monetary policy. Although the Louvre agreement stipulated fiscal policy actions by the US, Japan and West Germany to help promote the goal of steady, non-inflationary growth, the US Government in particular has found it difficult to deliver on promises to cut its budget deficit.

This has meant that treasuries and central banks have been propelled into policy dilemmas, particularly when inflationary pressures have appeared more important than the goal of stable exchange rates.

There was a noticeable shift to domestic priorities in economic policymaking throughout the G7 in spring 1988 as fears about inflation began to replace post-Crash concerns about recession.

Mr Lawson's vain effort last spring to hold sterling at DM 3 highlighted the hazards of attempting to peg a currency in an increasingly inflationary environment. On the Treasury's orders, the Bank of England forced bank base rates down to 7.5 per cent to make the pound less attractive to foreign investors. Easy money, coming on the heels of a tax cutting budget, boosted consumer confidence with the now familiar results of an overheated domestic economy, a large current account balance of payments deficit and the steady increase in base lending rates to their present 13 per cent level.

The limitations of monetary policy have exposed the Achilles' heel of co-operative exchange rate management: that it really needs to be supported by compatible fiscal and budget policies in participating countries. The problem, as the US has found out, is that budgetary and fiscal co-ordination requires legislative approval and loss of sovereignty. Both the Plaza and Louvre meetings recognised that fiscal policy could be a particularly strong influence for reducing domestic demand in the US and boosting it in the surplus countries. But fulfilment of the fiscal policy commitments made by the US, Japan and West Germany has been patchy.

Strong domestic demand growth in both West Germany and Japan in 1988 has eased the pressure on Bonn and Tokyo to take fiscal action. But the $155bn US budget deficit in the fiscal year ending last September was around 3 per cent of US GNP and well above the Louvre Accord target of 2.3 per cent.

Because it is unprecedented, the US budget remains a huge problem. Although there is a growing tendency among financial market economists to argue that the US budget and current account deficits will work themselves out in time, policymakers remain adamant that they must be reduced. Mr Jacob Frenkel, the IMF's economic counsellor and director of research, has warned that continuing high US deficits will create a "monster" of $1 trillion (million million) foreign debt by the early 1990s.

Among the non-US members of the G7, the US budget has become a touchstone for effective international co-operation in 1989. According to Mr Alexandre Lamfalussy, general manager of the Basle-based Bank for International Settlements, now is an ideal moment to reduce the US budget deficit. With growth strong in all major countries outside the US, there is "an almost unique opportunity to accelerate the international adjustment process" by cutting US domestic demand without creating problems

Mr Bush's election pledge of "no new taxes" and the apparent determination of members of the incoming administration to stand by this slogan have done nothing to boost confidence among the other members of the G7.

On the other hand, the six US trading partners appear genuinely impressed by the ability and pragmatism of the financial and economic team that Mr Bush has assembled. The presence of Mr Richard Darman at the Office of Management of the Budget and the appointment to the State Department of Mr James Baker, the former US Treasury Secretary and author of the current phase of international monetary co-operation, promise continuity and action.

But with the Democrats smarting after their defeat in the US presidential election, and in control of the Congress, there will be ample scope for blockage of any budget proposals that Mr Bush might make.

"The Democrats have started on the assumption that they will win the 1992 election on the failure of this administration," argues Mr James Howell, chief economist of the Bank of Boston. If this is true, there will be no help from Congress for the Bush administration. That could mean crisis for the G7 this year as the US budget process goes nowhere.

OBSERVER

Bankers get tough

■ Perhaps the involvement of the Barclays Group in financing a potential bid for GEC marks the end of an era in the British clearing bank system: it is no longer a comfortable old boy network.

As almost everybody must know by now, Lord Prior, the GEC chairman, has resigned from the Barclays board in protest. He was clearly taken by surprise at the bank's aggressive behaviour.

For earlier attempts to launch bank-financed assaults on Britain's corporate establishment were not wholly British. Thus Elders IXL's abortive plan to tackle Allied-Lyons relied entirely on funding by foreign or British overseas banks. And with only modest connections with Allied-Lyons, the Citicorps of this world had little to lose and plenty to gain if Australia's John Elliott pulled off an audacious bid.

Sir Derrick Holden-Brown, chairman and chief executive of Allied-Lyons, was (and remains) a director of Midland Bank. Neither Midland nor the other three big four clearers backed Elliott.

Since then there have been straws in the wind, notably in the case of Scottish & Newcastle Breweries. S&N took offence at the Royal Bank of Scotland's readiness to do business with the ubiquitous predator, Elders.

In that case Royal Bank was S&N's main clearing bank. Barclays is not the lead bank for GEC, but its move is still a new, or newish, departure. It may even be an historic turning point for the clearing bank system – an inevitable consequence, perhaps, of the move from the supposed old club ethic in the City to all-out competition. It is also a hefty gamble with a very large client relationship, given the possibility that the bid may not come off.

Meanwhile, Midland Bank must be weighing its loyalties. One of its directors is Sir John Cuckney, who seems to be organising the bid consortium.

The roll call of banks in any future disclosure about this controversial financing will be studied with some interest for what it reveals about which banks believe GEC, in its present form, to be a dead duck.

Kiwi diplomacy

■ More trouble may be ahead in the New Zealand Cabinet. Robert Tizard, the Defence Minister, has attacked the "unctuous statements" being made around the world on the death of Emperor Hirohito and said that the man "should have been shot or publicly chopped up at the end of the war." He also said that he was grateful to the Americans for dropping the bomb on Hiroshima.

Tizard is the longest serving member of the New Zealand parliament and a former deputy Prime Minister. David Lange, the Prime Minister, has dismissed his remarks as being a purely personal view.

They order these things better in Cuba. Three days of official mourning have been declared for the Emperor. An official spokesman said that his country did that on the death of the head of any state with which Cuba had diplomatic relations.

NatWest today

■ Lord Boardman, the chairman of NatWest, former minister and once deputy treasurer of the Tory Party, has made his decision on whether he wants to continue after the annual meeting in April, but is not yet prepared to reveal it. A NatWest spokesman said yesterday: "An announcement will be made in due course."

"The toaster and the blender are making a hostile bid for the fridge."

The details will probably be given to the bank's board which holds its first meeting of the new year today.

Boardman, who succeeded Robin Leigh-Pemberton as chairman in 1983, will be 70 on Thursday, which means he has to seek re-election annually. So he will only be able to retain the chairmanship by getting a fresh nomination as a director.

Although there has been considerable speculation about possible successors, including his deputy chairman, Sir Peter Walters of BP, and even stranger rumours about Chancellor Nigel Lawson moving in, Boardman could well go for another stint. Despite the bank's current travails with County NatWest, he plainly enjoys the job, which is non-executive, and entails being gregarious rather than deskbound.

He is also in good health, having recovered from a fall from his horse last year: he is a keen rider.

Unlike the other clearers, which are increasingly going in for executive chairmanships, NatWest has a much stronger tradition of separation of executive and non-executive powers. In fact, the executives are very much in the minority on the board, counting for only nine out of 30 directors.

Water prize

■ Tight race for the next big book prize – £1,500 from BP Exploration and the Nature Conservancy Council for the best work on the Conservation and Management of Britain's Aquatic Environment and Wetlands.

Two candidates have been shortlisted: B. Henderson-Sellers and H. R. Markland for their book, Decaying Lakes, and Jeremy Purseglove for his Taming the Flood. There would have been a third, A Curlew in the Foreground, had not the author, Philip Coxon, died before publication.

The prize is named after the late Sir Peter Kent, once the chief geologist at BP and head of BP Alaska. Kent specialised in Mesozoic rocks, the system younger than the Paleozoic and older than the Cenozoic. In other words, they extended between 180m and 70m years ago.

BP and the Conservancy Council are very pleased that they have chosen a subject that fits neatly with the year of the privatisation of the water industry. The winner will be announced on January

Steady hand

■ "I'm a kleptomaniac" runs a graffito in a Birmingham psychiatrist's waiting room. Someone has written underneath: "Don't let it worry you. Just take things quietly."

LETTERS

Backward Frankfurt comes forward

From Mr R.F. von Rosen.

Sir, I read with great interest Lex's "Speeding up the German tortoise" (December 19 1988), concerning a market not paralysed by Imro (Investment Management Regulatory Organisation), Lautro (Life Assurance and Unit Trust Regulatory Organisation), Fimbra (Financial Intermediaries, Managers and Brokers Regulatory Organisation), SIB (Securities and Investments Board) and other "ferocious watchdogs" which proclaim to protect Aunt Agatha.

I politely decline to accept the insinuation that the Germans are not convinced in any way of stop-go politics, either in macro-economics or on the securities market. Instead of choosing to follow other countries up the next blind alley of trading, they prefer keeping up with their back-offices in the reforming of the market.

Have you not heard rumours that the number of foreign banks (which have joined ranks with fellow-sympathisers within the latest Worldwide Fund for Nature project to "rescue the endangered tortoise") is still on the rise? The number of foreign members of the German stock exchanges grew this year, as did the number of listed shares of foreign companies.

Only one question remains after reading your article. Who told you that one third of the business of Siemens is done in London? According to my information, less than one eighth of the turnover in the 13 "blue chips" is traded on the London Stock Exchange. This means that nearly 90 per cent is still being done in a country which has the D-Mark as its currency, and is further backed by a strong-going economy.

Rüdiger von Rosen,
Executive Vice Chairman,
Federation of the German Stock Exchanges,
Biebergasse 6-10,
D 6000 Frankfurt 1,
West Germany.

From Mr Alexander Uberoi.

Sir, A most interesting Lex column (December 19). In addition to reasons cited for a tortoise-like performance of the German stock market – half-pint sized stock market, high costs, unhelpful taxes, over-regulation and "protection" of universal banks – the following important reasons should be noted:

First, the almost total absence of takeovers, friendly or unfriendly. Second, that wonderful instrument, the *Depot-Stimmrecht*, by which German universal banks control the voting rights of the major part of the shares they hold for their customers. These two factors are responsible – at least to a great extent – for the permanently monotone performance of German stocks.

Without rumours of takeover bringing excitement to the stock market floor, how can there be volatility? With large German banks controlling too many stock market listed companies through the *Depot-Stimmrecht*, and never voting against managements, how can there be any takeover?

The cure could be easy and efficient. Limit, by law, the shares of a stock market listed company a bank may directly own, to a maximum of (say) 5 per cent. Make the *Depot-Stimmrecht* no longer the rule but the exception. Then German and foreign investors will rub their eyes at those beautiful German balance sheets: cash-flow-strong, cash-rich and full of undervalued assets.

Imagine a German *Aktiengesetz* limiting any defensive moves against takeover a management may make – and keep in mind that the management of German listed companies will be completely inexperienced in defending takeovers. You will have heaven on earth. A virgin stock market awaits.

Alexander Uberoi,
Limburger Strasse 3,
D-6240 Konigstein/TS,
West Germany

Shifts in the City

From Mr Kevan Riley.

Sir, London is amply supplied with road, rail, bus and underground transport. The trouble is: the times at which people are conditioned to use them.

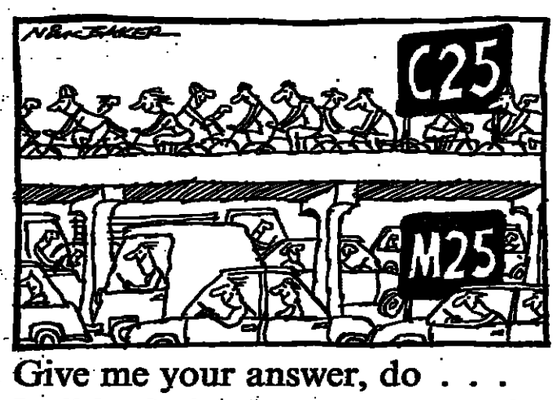
The solution may be to look back to when the West Midlands and the northern parts of England led UK economic and financial growth, just as London – and in particular the City – is said to do now.

In Bolton and Halifax people worked shifts – two shifts or three shifts a day. The streets were not clogged with workers.

Surely the City should do likewise. It now works in a world market, trading 24 hours a day. Apart from removing congestion on public transport and the roads, the use of office blocks and shops on a two-shift system would improve the efficient use of property, driving down demand for further overheating the London construction market by building more and more offices and shops.

The construction labour released would be able to get on with useful work. Just a thought for the New Year.

Kevan Riley
National Union of Liberal Clubs, 3 Mill Hill,
Rothwell,
Leeds, West Yorkshire



Give me your answer, do . . .

From Mr James Brander.

Sir, In your editorial on December 22, discussing the problems of transport in London, you wrote of the four main options available to the urban traveller – without mentioning the fifth and sixth: walking and cycling.

Both these means of getting about are too readily overlooked by "serious" planners, who are perhaps unaware of many of the benefits offered by each. For example, cycling is both the fastest and the most predictable method of travelling in central London – at least under present conditions.

Could I please ask that before the Government embarks upon any of the multi-billion pound programmes that are being proposed to solve London's transport problems, it undertakes a proper evaluation of what would be needed to make more use of cycling and walking as components of an integrated transport scheme?

European experience has shown that, with the right level of investment, it is possible to increase the proportion of commuter journeys made by bicycle to as much as 40 per cent. I suggest that a more modest target be accepted for London, say 25 per cent – and I'll bet the bill will be nowhere near the sort of figures you speak of in your editorial.

James Brander,
Camden Cycling Campaign,
6 Hadley Street, NW1

In the long haul

From Mr Thomas E. Whittle.

Sir, Mr Bruce Adkins (Letters, December 17) suggests that railways "could be and should be" adapted to carry heavy and bulky loads.

The longest rail journey in the UK – say, Penzance to Aberdeen – is about 600 miles. Most journeys, unlike in France, are of course much shorter. In Canada and the US, journeys are five or six times longer. Aberdeen to (say) Rome is about 1,500 miles. In Japan – comparable with the UK in area – probably very little freight is carried by rail.

An objective assessment is that in the long term, rail freight in the UK is only viable for long-distance, full (1,000 ton) train loads and short shuttle services from pit to power station. To suggest otherwise is wishful thinking.

Subsidies have been poured into British Rail for many years, both for capital equipment and annual running costs. In contrast, road taxes are four times the expenditure on roads; BR cannot expect indefinite subsidies from (road) taxpayers and ratepayers. Overcrowded commuter trains ought to pay.

Thomas E. Whittle,
19 Kildoon Drive,
Maybole, Ayrshire.

Egyptian symbolism paved a path to PLO/Israeli peace

From Mr David A. Chandler.

Sir, Reasoned analysis is a chief reason why I am grateful for my firm's subscription to the Financial Times. There are blind spots, mind you; I think your December 14 editorial demonstrated one.

Respected analysts writing in many foreign policy journals (most recently, the latest issue of Foreign Affairs) concur in the call for recognition of the Jewish state *qua* Jewish state as a condition precedent to negotiations with the PLO. The speech by Mr Yassir Arafat before the United Nations, which you found so compelling, was almost meaningless, given the later declaration in a Kuwaiti journal by Mr Saleh Khalaf, Mr Arafat's deputy, that a Palestinian state on the West Bank would only be a prelude to Palestinian sovereignty over Israel itself.

Of course, if the Palestinians are serious about peace with a Jewish state, a meaningful Israeli response is a moral and, ultimately, a physical imperative. Fortunately, the way to gauge both Palestinian maturity on this issue and Israeli willingness to deliver has already been demonstrated by the late Anwar Sadat, who in 1977 flew to Jerusalem *without* having recognised Israel. The symbolism of that dramatic journey, serving as a recognition of the justice of Israeli concerns and the humanity of the Israeli people, prompted even the hard-line Mr Begin to recognise the justice of Egyptian concerns and the humanity of the Egyptian people.

Similarly, what is required of Palestinian leadership is not legal aptitude, but the simple realisation that the path to peace is a road that goes, without American or European detours, straight to Jerusalem.

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'Fortress Europe' and EC anti-dumping measures

From Mr Fergus Randolph.

Sir, Following Mr Brian Hindley's article, "The design of Fortress Europe" (January 6), I must make the following comments.

The Basic Regulation referred to was repealed in August 1988, and its place was taken by Council Regulation No 2423/88. This regulation clarified and changed certain aspects of dumping law.

One such aspect was that relating to the question of comparison between normal values and export prices.

Under the old rules, it was true that allowances were only granted when there were differences in the level of trade. However, under the new rules the position has changed. The new Article 9(a) of the regulation states that " . . .due allowance in the form of adjustments shall be made in each case, on its merits, for the differences affecting price comparability, that is, for differences in:

- physical characteristics
- import charges and indirect taxes
- selling expenses resulting from sales made at different levels of trade, or in different quantities, or under different conditions and terms of sale."

Thus it is no longer true to say that allowances will only be made, on the grounds of fair comparison, when there exist differences in the level of trade. This is now only one of many individual factors which may lead to allowance adjustments.

Second, Mr Hindley appears to confuse two principles when he states that "using these sections of Article 2(10) as its authority, the Commission refuses to make deductions . . .when calculating the ex-factory price . . ."

Article 2(10) only relates to the comparison of the normal value with the export price in order to determine any dumping margin which may exist. It is not relevant to the calculation of the export price *per se*. That function will already have been carried out by the time the question of comparison arises.

Third, Mr Hindley seems to imply that Article 2(10) is invoked by the Commission in order to limit the capabilities of the exporters to claim allowances. In my experience, it is the exporter which will invoke Article 2(10) first, relying thereupon in support for its arguments that it should be granted certain allowances. The Commission may well then refuse to grant these allowances, because the requests do not conform with the requirements laid out in the article, but it is, I think, wrong to suggest that it is used as a pre-emptive strike weapon by the Commission.

Finally, I would agree with the general gist of Mr Hindley's article, but not for the same reasons. It is true that, to an exporter, it seems that the Community's rules on dumping are neatly camouflaged protectionist measures designed to tax efficiency and support Community lame ducks. This may or may not be the case, but the fact is that the rules in question are slanted against the exporter by virtue of the fact that normal value calculations induce selling, general and administrative expenses (SGAs), whereas constructed export prices (which are frequently used because of associated distributors) only make allowance for costs incurred between importation and resale.

This will not generally include SGAs. This factor can make the difference between a finding of no dumping and a finding of dumping – or the difference between marginal dumping and major dumping.

According to the European Court of Justice, the Commission is applying the regulation correctly. In light of the above, is it not time to question the correctness of the regulation itself, rather than the methodology used by the Commission in its interpretation? Perhaps this course of action would bear more fruit.

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1992 must include an EC 'social' dimension

From Mr Denis MacShane.

Sir, At the end of Josef Joffe's interesting *plädoyer* (December 28) for Mrs Thatcher's ideas on Europe, as set out in her Bruges speech, was the important warning that 1992 might increase the calls for national sovereignty as the full impact of the internal market is felt.

Given the current focus on 1992 as a mechanism to strengthen only the ability of capital to flow where it wants and do what it wants, I believe his warning is quite right; though I think he is wrong to suggest that steel and coal any longer constitute "powerful voting blocs".

Mrs Thatcher, in Bruges, set up a number of straw men. Where can we find, in any of the proposed 1992 directives, "central planning and detailed control"? How can she plead in favour of frontier controls when the frontier between Britain and Ireland, across which, alas, more terrorists pass than elsewhere in Europe, is completely open?

When Mr Joffe spends two hours waiting in the arrival shed at Victoria Station (which Mrs Thatcher plans for Europeans using the Channel Tunnel after 1993, instead of having their passports checked on the train), he may see her vision a little differently. She may call for a non-protectionist Europe in Bruges, but would she dare make that speech in Asia or Africa, so many of whose products are kept out of what is already, to the third world, "Fortress Europe"?

But Mr Joffe did not mention the real target of Mrs Thatcher's Bruges speech: the muted, hazy call from Jacques Delors, endorsed by most European leaders, for a social policy to run parallel with the development of an internal market.

I do not think Financial Times readers in Europe can understand the political impact of Jacques Delors speaking at the meeting of the British Trades Union Congress last September. As president of the European Commission, he spent more time with British trade unionists in 24 hours than Mrs Thatcher has spent in nearly 10 years. Mrs Thatcher's fulminations on Europe were an expression of her rage that, after a decade battling against the idea of consulting with workers, or taking into consideration union views inside Britain, here was Europe's leader saying and doing the opposite.

Mr Delors is not a "leftist", nor anti-capital, but he is correct to argue that, if Europe after 1992 is to see a lowering of social protection, increased unemployment, and further relegation of employees' rights, then workers, their communities, their political allies will turn to the nation state for social protection if none is forthcoming from Brussels.

National sovereignty is far from dying in Europe. It may well be enhanced – in a regressive sense – if the internal market does not develop a social dimension

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FOREIGN AFFAIRS

The dog that failed to bark

Edward Mortimer asks whether Eastern Europe will test the limits of perestroika in 1989

If 1988 was the year of the Soviet Union, perhaps 1989 will be the year of Eastern Europe.

Among all the spectacular results of the Gorbachev revolution at home and abroad, that is the dog which has so far failed to bark. There is chaos in the Soviet economy. There is mayhem between Soviet nationalities. There is raging debate in the Soviet media. There is a flowering of Soviet art and literature. There is retreat in Afghanistan, and elsewhere in the Third World. There is enthusiasm among the Western public. There is a vastly improved relationship between Moscow and most Western governments, and even with China. There is confusion within Nato. But there is, by comparison, remarkably little change so far in Eastern Europe, where one might most have expected it.

Actually there is another dog conspicuous by its silence: Islam in Central Asia and the Caucasus. But that is a sleeping dog which will take time to wake. It might even turn out to be dead. Personally I would bet against that, but I suspect its bark, when we do hear it, will sound quite different from the "fundamentalist" growls that some have been listening for.

The East European dog is quite different. It has barked audibly and repeatedly in the recent past. We know very well that it is not asleep but wide awake, hungry, discontented, kept at its master's side only by a strong and irksome physical chain.

Now there is a new master who has loosened the chain and proclaims his disapproval of cruelty to animals. Even his Baltic and Transcaucasian house-pets are being allowed to make an audible din. One would expect Eastern Europe to be bounding ahead, pulling the chain taut again or even slipping out of it completely.

But so far that has not happened. Hungary and Poland push awkwardly and cautiously ahead with their own variants of perestroika; East Germany, Czechoslovakia and Romania are dragging on the chain a bit, but backwards, as if determined to stay in the kennel even when offered a brisk walk. Bulgaria, as ever, plods inconspicuously at heel. Nowhere, yet, is there the kind of sweeping popular movement one saw in Hungary in 1956, Czechoslovakia in 1968, or Poland in 1980.

But it is hardly plausible that this will last. Sooner or later, and I should guess sooner, the citizens of one or more of the East European countries are going to put the Brezhnev doctrine to the test: to find out whether the Soviet Union really has renounced the right it asserted in 1968 to intervene militarily outside its frontiers "in defence of socialism." If it has not, that will be the end of the new détente, and probably of perestroika too.

But if it has, a whole new era is opening, not just for Eastern Europe but for Europe as a whole, and West Europeans need to think very seriously about its implications. For 40 years all the political and military arrangements in the West have started from the premise that the Soviet Union had expanded its power by force over Eastern Europe, and would do so over Western Europe too as far as it was allowed, by intimidation and subversion if not by outright conquest.

Now a new master has loosened the chain and proclaims his disapproval of cruelty to animals

That premise underlies the existence not only of Nato but also of the European Community, at least in its present form. Take it away, and the whole shape of post-war Europe is up for grabs.

We have to consider whether we want to keep roughly the present shape – with Eastern Europe still a Soviet sphere of influence, but by consent rather than force, and "Europe" as a politico-economic entity still confined to Western Europe, still closely linked to the US – for its own sake, and, if so, whether that is really likely to be possible.

One reason why some people would wish to do so is to keep Germany divided, so as to prevent it from emerging again as a dominant European power. (Remember François Mauriac's famous quip: "I love Germany so much, I'm delighted there are two of her.") But that is not an argument that statesmen can publicly invoke to keep in being an alliance and a Community in both of which West Germany is a key member; and, if they did, it would be hard for them to explain how they proposed to keep Germany divided, against the will of the Germans, once Soviet forces were removed from the equation.

German aspirations to unity, or at least to much closer relations, are one major difficulty; anti-Soviet or anti-Russian feelings in other East European countries would almost certainly be another. A third would be the strong feeling on both sides of the present Iron Curtain that it is not a natural frontier, that a "Europe" which excludes Prague, Cracow and Budapest is artificial and incomplete.

So what are the alternatives? Do we aim to hold Mr Gorbachev to his own slogan (actually borrowed from Mr Gromyko) of a "common European home", welcoming the Soviet Union as a full member of "Europe" on condition that it lives up to present West European standards of freedom and civility? Do we accept, in other words, that Russia is really Eastern Europe, and that what I have been calling "Eastern Europe" in this article is really central Europe?

Geographically that may be correct, but geography is an imperfect guide to politics. Politically, this "European home" including Russia would stretch to the Pacific. It would not stop at the Urals, and even if it did, Russia would still be by far its largest member in area and in population; unless of course we interpret "Europe" as embracing all those states that take part in the Conference on Security and Co-operation in Europe (the Helsinki process), which includes the US and Canada.

Either way, such a monumentally expanded "Europe" would either be so loosely structured as to be of little significance, or would be completedly dominated by one or both of the present superpowers.

Even if the "common European home" is not, as Joseph Rovan argued in Le Monde last week, a crude and cynical bid by Moscow to take over the European Community, it would have little or nothing in common with "Europe" as we now think of it

Perhaps the new world order will be so benign that Europe can safely revert to being a mosaic of small, entirely separate nation-states whose proximity to Russia will be, if anything, an advantage rather than a source of fear. But surely we should not feel that way unless, at the very least, we were fully convinced that the states of Eastern Europe were as independent from Russia as those of Western Europe from the US.

No doubt Europeans of both East and West would want to be on good terms with both the present superpowers (those overgrown children of Europe who have burst out of the nest and now dwarf their parent).

But I think they would also feel the need of some closer and tighter regional structure which was theirs alone, enabling them to pool their resources and defend their specific interests in dealings with those superpowers on something more like equal terms. That is something like the present Community, in fact, but less exclusively tied to the US; stretching, if not quite from Brest to Brest-Litovsk, at least from Dublin to Lublin; and replacing the present division of Europe into rival military blocs.

That I suggest, is the goal towards which Europe's political strategists should now be bending their thoughts.

FINANCIAL TIMES
Tuesday January 10 1989

UK airlines ground 737-400s after crash

By Michael Donne in London and Richard Tomkins in Kegworth

Picture: Alan Harper

The tailplane of the crashed British Midland Airways Boeing 737 is secured with cables to allow crash inspectors to begin work

UK operators of Boeing 737-400 aircraft of the type which crashed close to the East Midlands Airport in central England on Sunday yesterday temporarily withdrew them from service.

The British Midland aircraft, on a scheduled flight from Heathrow Airport, London, to Belfast, plunged into the embankment of the London-Leeds M1 motorway at Kegworth while trying to make an emergency landing at the airport. At least 46 of the 126 people aboard were killed. The aircraft's two pilots and six cabin crew survived.

Investigators from the Department of Transport's Air Accidents Investigation Branch were yesterday concentrating on the aircraft's CFM-56-3 engines – made by CFM International, jointly owned by General Electric of the US and Snecma of France – as the most likely source of clues. No statement is likely until they are satisfied as to the cause of the accident.

Experts from Boeing and from the US National Transportation Safety Board and Federal Aviation Administration are also investigating. They are also working with UK investigators into the crash two weeks ago of a Pan Am Boeing 747 Jumbo jet crash on to Lockerbie in Scotland.

The investigators are supported by engineers from GE and Snecma. Mr Dwight Weber of GE said: "We will participate fully in the investigation. A cause will be found. After it is, we will determine what needs to be looked at with our engines. We will have to work out whether this is an isolated problem or not."

The fact that the captain of the aircraft had reported engine trouble and requested the emergency landing, only to suffer failure of his second engine when in sight of the airport runway, is regarded as a clear indication of a mechanical problem with either the engines or their electronic controls.

The decision temporarily to suspend use of 737-400 aircraft in the UK was taken for this reason, pending a preliminary report from the Air Accidents Investigation Branch.

After talks with the Civil Aviation Authority, British Midland took its own second Boeing 737-400 out of service, while Air UK Leisure and Dan-Air, each voluntarily grounded their single 737-400.

Sabotage has not been ruled out but is regarded by most analysts as unlikely.

The aircraft was on the Heathrow-Belfast route where far tougher security than on many other Heathrow routes is reagarded as normal.

The captain was also able to report to air traffic control specifically that he had an engine fire, that he was able to extinguish this while making his emergency approach to East Midlands airport.

The fact that at the critical moment on the approach, with safety in sight, his remaining engine failed is regarded as a "one in a hundred million chance". Had it happened only seconds later, the Boeing jet might well have just been able to make the airport runway.

Meanwhile, search operations at the site were suspended as dark fell last night and will resume at dawn today with the probable removal of the wreckage from the motorway embankment.

The last survivor was brought out of the wreckage at 4.30am yesterday, but an 80-man Army team is helping police search the scene for parts which may have fallen from the aircraft.

Mrs Margaret Thatcher, Prime Minister, visited the accident site yesterday

Background, Page 6

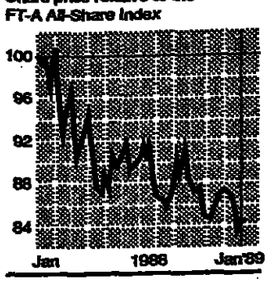
THE LEX COLUMN

Counting the cost of County

As they convene for their board meeting today, the directors of National Westminster Bank must be acutely conscious of the embarrassing publicity generated by their investment banking subsidiary. County NatWest is an integral part of the bank, and it is hard to imagine circumstances in which it could be shut down or disposed of. But NatWest's investment looks increasingly odd in terms of risk and return. Having been Britain's premier High Street bank for most of the 1980's, NatWest has run into its first major problem since the infamous day in 1974 when it had to deny publicly that it was going bust. The scale of the current problems at NatWest now are nowhere near as serious as then, but nevertheless they could cause serious harm to the well-cultivated business image of Britain's leading bank, arguably its most important asset.

The damage is already surfacing. The bank's shares, having handsomely outstripped those of its rivals for several years, have underperformed the market by 15 per cent over the last year and are now selling at an estimated 4.3 times current year's earnings. If the UK clearing banks were not such a protected species, the predators would have been sniffing around NatWest long ago. The financial impact of the problems at County are not insignificant – it may have lost upwards of £50m last year and could lose another £25m or so in the current year. But for a group which is earning profits of around £1.4bn per annum, these losses are manageable, albeit painful.

However, the real damage to NatWest cannot be measured by totting up County's annual losses. In a business where confidence is critical, the events of the past 18 months have not reflected well on the group as a whole. Almost every major international bank has had a problem at some time or another inmanaging its investment banking arm, but Blue Arrow and County's other upsets have shown that Natwest's difficulties are much worse than the average. Then there is the question of what the County saga says about NatWest's own top management. Because there is a DTI inquiry under way, NatWest may not yet be able to give a full account of its handling of the affair. But until it does, it is going to be measured by reports in the media. There is no way of judging what sort of impact this is having on NatWest's core banking business, but there must be a fear that it will begin to suffer, the longer the adverse publicity drags on.



County continues to expand in corporate deal-making, but this will be partly due to the aggressive way in which it continues to do business. Efforts by its parent to keep it out of the headlines meanwhile continue to fail dismally. The bravest course for NatWest would be to cut its losses and pull out entirely.

GEC

The proposed break-up of GEC became clearer in outline yesterday, but not necessarily more plausible. For GEC's shareholders, there is poetic justice in the idea of finally getting hold of the cash mountain at the expense of Lord Weinstock's departure. What might be much less attractive is the prospect of retaining equity ownership of the rump of the business once defence and telecoms have been sold off. The appeal is also less than obvious for shareholders in Plessey and STC, who would presumably be called upon to pay a premium for GEC assets in the unlikely hope of wringing more from them than Lord Weinstock has himself. Issues of competition would also seem to make a reference a racing certainty, with Thomson's involvement leaving scope for the public interest card should Sir Gordon Borrie's patriotism fail.

This does not mean the market was necessarily wrong to mark up GEC's shares by nearly 10 per cent yesterday. Sitting through a reference is a costly business in terms of the time value of money, but Metsun has yet to name its price. It is also possible that rival consortia will emerge, leaving aside the intriguing question of how Siemens and CGE might react if their respective alliances with GEC looked seriously under threat. More generally, there is the feeling in the air that the hunt is up, though it is not quite obvious why; Lord Weinstock's version of GEC's future may be slightly unclear,but it looks more sensible industrially than the latest alternative.

Markets

The market must be getting desperate for a really big bid if the prospect of one which has yet to arrive – and has little hope of success anyway – sends the FT-SE up 20 points. Investors may reason that if the bidders cannot have the big fish they will bid for the smaller fry instead. Alternatively, the very fact that such a bid could be considered in the UK might mean that the arbs, who have pushed prices out of reach in New York, will start to take London more seriously in future. Either way the rally seems a little flimsy, but no more than yesterday's 21p rise in Glaxo and 18p in ICI, all on the basis of another dangerous lurch in the dollar. Meanwhile,the modest 0.2 per cent rise in output producer prices was genuinely encouraging, but no one was in any mood for such mundane stuff yesterday.

Eurotunnel

Eurotunnel's recent behaviour has been what one might expect from a bid-prone gamma stock, not from a proud new component of the FT-SE. The market has had over a year to get used to a vehicle that will earn nothing until 1993, but seems to be getting worse at valuing it all the time. Indeed, the 20 per cent rise in the shares this year has been so mysterious that London has resorted to blaming Paris – as if what they did across the Channel defied explanation anyway. In the last four months the shares have doubled, taking precisely no notice of rising interest rates and inflation, nor of the fact that the project is running ahead of cost and behind schedule. True, the company has some how managed to increase by 3 per cent its revenue forecasts for 2003, but even if one accepts that, the shares at 320p imply a discounted annual return of 15 per cent. Since this is also the market average, Eurotunnel seems only to match its FT-SE peers in the very respect in which it should exceed them.

Hong Kong falls to anti-dumping drive

Peter Montagnon assesses the EC's imposition of duties on goods from the colony

HONG KONG has always rather liked dumping. It needs to import large quantities of raw materials for its manufacturing operations and reaps the benefit of other countries' dumping in terms of lower prices.

Now, in what one of its officials calls "a nasty shock," it has suddenly discovered that other countries are not quite so happy to be on the receiving end of its own cut-price exports. Shortly before Christmas the EC imposed dumping duties of up to 59.3 per cent on Hong Kong videotapes and cassettes. The European Commission in Brussels has also launched an inquiry into small-screen colour television sets. It is expected soon to begin inquiries into photograph albums, denim cloth and audio tapes.

This sudden burst of activity has raised eyebrows in the international community because theoretically it should be difficult for Hong Kong to dump anything anywhere. It is an open economy with a tiny domestic market dominated by small companies which could not afford to subsidise export sales at a loss. If they tried to do so, they would simply go bust.

Yet officials in Brussels are perfectly satisfied that their inquiries have found that Hong Kong producers of videotapes and cassettes are selling in Europe at loss-making prices designed to undercut domestic manufacturers and squeeze their market share.

The process by which they have reached this conclusion is a complex one and the figures it is based on are – as usual – confidential. But it begins with an assumption that even a small and open territory like Hong Kong can be guilty of dumping. Its producers cannot finance dumping with high-priced sales on the domestic market, but they could instead raise prices on sales to one part of the world in order to be able to sell at a loss in another market which they have specifically targetted.

To prove this is the case the EC has not taken the most obvious step of examining export prices of video-tapes and cassettes to a wide range of different markets. Instead it has followed its now usual practice of calculating what is called a "constructed price." Using information supplied to it by Hong Kong manufacturers themselves, it has worked out what their costs are and what their selling price to Europe should be after a reasonable profit margin.

Necause this does show that Hong Kong is selling at a loss in Europe, EC officials argue that dumping must be taking place and it is not even necessary to ponder how it is being financed.

The use of constructed prices is perfectly acceptable under the General Agreement on Tariffs and Trade (Gatt). Indeed they are necessary to prove dumping in cases involving centrally-planned economies with no rational internal pricing structure. Both the EC and the US use them when domestic sales of a product under investigation amount to less than 5 per cent of exports.

Yet the worrying thing for many trade experts is the methodology used to compile them. Some, such as Dr Brian Hindley of the London School of Economics, argue that the EC formula is tilted in several ways in favour of a positive finding of dumping.

The EC inquiry in Hong Kong covered only eight producers out of a total of 11, the remainder having apparently failed to co-operate. According to one European trade lawyer, many of those that did were at a natural disadvantage given their small size, limited management resources available to answer detailed queries, and their lack of legal advice. Those which did not co-operate have been hit with duties at the maximum 59.3 per cent level.

Hong Kong officials say it is very difficult to tell, even from the lengthy exposé in the EC official journal, how the duties were calculated. Even from the information available there, however, they point to a number of disturbing features.

● The EC has allowed a 20 per cent margin for the fact that Hong Kong products are of inferior quality to European products. Hong Kong replies that this is arbitrary and unfair. In fact the quality differential should be greater and the EC is simply not comparing like with like. To this the EC responds in turn that consumers do not differentiate and therefore the injury to its own producers still stands.

● The EC claims injury to its own producers – Agfa-Gevaert, BASF and Magna Toutraeger of Germany, and PDM Magnetics of the Netherlands – all of which suffered losses of up to 27 per cent on sales of video-cassettes in the Community during 1987. In the three years to 1987, during which prices declined by 50 per cent, they managed only a marginal increase in market share while that of Hong Kong and Korea (whose producers are also named in the case) almost tripled to 27.9 per cent.

Yet at the same time and despite the depressed prices the EC industry was also busy increasing its capacity to 100m units in 1987 from 58.84m in 1985 and its output increased sharply.

This is difficult to square with fears expressed by the Commission of a substantial cut in European production as a result of Asian price undercutting. In its judgment the EC said European industry deserved protection not least because "video cassette production belongs to the high technology chemical sector where new technological developments can be expected."

For many in the trade community this statement confirms that EC dumping procedures are being used as an instrument of commercial industrial policy rather than simple prevention of unfair trade.

Originally this policy was widely assumed to be directed specifically against Japan and South Korea, but the case of Hong Kong suggests that other, less guilty parties are being sucked into the process and that it is becoming easier for any European company facing a competitive market to find a willing ally in the bureaucratic parlours of Brussels.

Greek-Turkish row threatens arms talks

By Judy Dempsey in Vienna

GREECE yesterday dug in its heels over a serious dispute with Turkey which could delay both the establishment of new talks on conventional arms in Europe and an important East-West security and human rights accord.

The mandate for the Conventional Stability Talks (CST), which will group the 16 Nato and seven Warsaw Pact countries, was almost ready for signing late last week. But a disagreement has arisen between Athens and Ankara about which parts of Turkey should be covered by the arms negotiations.

Foreign ministers of the 35 countries which participate in the Conference on Security and Co-operation in Europe (CSCE) have been invited to Vienna next week to wrap up 26 months of talks with an agreement on human rights, economic co-operation and military issues, including the establishment of the CST.

Mr Evangelos Frangoulis, the Greek ambassador to the CST, said yesterday he would continue to insist that the southeastern Turkish port of Mersin be included in any arms reductions.

The Soviet Union and Turkey settled a long-running disagreement last week when Moscow agreed to Turkish demands that Mersin and other areas of Eastern Turkey be excluded from the CST, whose brief is to cover conventional arms "from the Atlantic to the Urals."

The Greek position will again be discussed this afternoon, and Nato and Warsaw Pact diplomats, working against the clock, are still hoping the issue will be resolved today.

But yesterday Mr Frangoulis seemed less than worried that Greece could hold up the CST mandate and the conclusion of the Vienna CSCE meeting. "Several countries are totally indifferent to our problem with Turkey," he said. "All the diplomats want to do is to sign and go on holiday."

Mersin was the assembly point for the Turkish force which invaded Cyprus in 1974, and it remains the main port for supplies to northern Cyprus, where Ankara continues to maintain 29,000 troops, according to UN estimates.

Two groups discuss GEC bid

Continued from Page 1

London as details of the structure began to emerge yesterday.

Plessey and its allies are proposing to sell GEC's defence and telecommunications interests to themselves.

The rump of GEC, with businesses including power generation, medical equipment and consumer products, would be run by new management led by Sir John Cuckney, chairman of the Westland helicopter group.

If the bid proceeds, GEC shareholders are unlikely to receive a full cash offer.

Instead, they will be offered shares in Metsun, the bid vehicle headed by Sir John.

The consortium backing Metsun plans to split GEC's businesses in this way:

● GEC Marconi, the defence electronics subsidiary with annual sales of £2bn, would be split between Plessey and Thomson, with the latter taking only enough as necessary to avoid a block on monopolies grounds. The relatively minor role of the French company is also intended to defuse charges about "foreign" involvement in the break-up of GEC.

● GEC's half share in GPT, the £1.2bn-turnover telecommunications joint venture with Plessey, would be sold to STC.

● Further small disposals, possibly to GE, are also possible.

● The largest part of GEC, however, would continue to be owned by GEC's existing shareholders. Lord Weinstock, managing director, would be replaced by Sir John Cuckney.

"Sir John is not there to preside over a carve-up but to give new strategy, direction and maximise shareholder value," said Mr Nicholas Jones, a managing director of Lazards.

Reagan sends $1,500bn budget to Congress

Continued from Page 1

Mr Reagan's budget also calls for increased spending on foreign aid, international development and humanitarian assistance and for the US to meet in full its funding obligations in regard to multilateral agencies such as the World Bank and the IMF.

To meet the deficit target, Mr Reagan's budget – in addition to selecting optimistic economic assumptions – also proposes significant spending cuts, some of which Congress has rejected in the past. Others however are seen as possible signals of the economies that will be being sought by the incoming Bush Administration, notably in the area of entitlement programmes which benefit the middle class, and not just the poor.

The official budget summary, for example, highlights the fact that current farm price support programmes have cost $130bn in the period 1986-1989, an average of $600,000 per farmer.

Similarly Mr Reagan proposes slowing the growth of expenditure on Medicare,the federal system for providing medical services for the aged, from 13 per cent to 9 per cent.

Mr Richard Darman, who will be Mr Bush's director of the Office of Management and Budget, has indicated that he too is looking particularly closely at federal medical programmes. Cuts are also proposed in the health and retirement programmes of Federal government employees. Mr Reagan proposes ending free school meals for children from higher income families.

WORLD WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	16	61	Dubrovnik	S	15	59	Malta	S	17	63	Rhodes	S	10	50
Algiers	S	20	68	Edinburgh	S	07	45	Manchester	R	08	46	Rio de J'o	C	35	95
Amsterdam	R	09	48	Faro	S	15	59	Manila	F	33	91	Rome	C	14	57
Athens	Sn	06	43	Florence	C	10	50	Melbourne	C	23	73	Salzburg	S	08	46
Bahrain	F	18	64	Frankfurt	R	10	50	Mexico City	F	25	77	San Francisco	R	10	50
Bangkok	F	34	93	Funchal	C	17	63	Miami	F	25	77	Seoul	C	07	45
Barcelona	F	13	55	Geneva	C	04	39	Milan	Fg	01	34	Singapore	C	32	90
Beirut	C	13	55	Gibraltar	F	16	61	Montreal	C	08	46	Stockholm	F	04	39
Belfast	F	06	43	Glasgow	R	08	45	Moscow	C	-1	30	Strasbourg	Fg	03	37
Belgrade	C	03	37	Guernsey	R	09	48	Munich	S	09	48	Sydney	F	27	81
Berlin	R	10	50	Helsinki	F	02	36	Nairobi	F	24	75	Taipei	F	24	75
Biarritz	F	11	52	H. Kong	C	22	72	Naples	S	17	63	Tangier	F	17	63
Bombay	-	–	–	Innsbruck	Fg	02	36	Nassau	C	27	80	Tel Aviv	F	12	54
Bordeaux	Fg	05	41	Inverness	S	05	41	New Delhi	F	17	63	Tenerife	F	20	68
Brussels	C	08	46	Istanbul	C	16	61	New York	Sn	10	50	Tokyo	C	11	52
Budapest	Fg	00	32	Istanbul	C	02	36	Nice	C	10	50	Toronto	C	09	48
B. Aires	F	31	87	Jakarta	R	31	88	Nicosia	R	15	59	Tunis	S	16	61
Cairo	C	16	61	Jersey	D	09	48	Oporto	S	12	54	Valencia	S	13	55
Cape Town	S	25	77	Jo'burg	R	24	75	Oslo	C	01	34	Venice	Fg	00	32
Caracas	C	24	75	Lima	F	25	77	Paris	C	09	48	Vienna	F	11	52
Casablanca	C	15	59	Lisbon	F	16	61	Peking	F	02	36	Warsaw	C	01	34
Chicago	F	-14	07	London	R	11	52	Prague	C	07	45	Washington	Sf	05	41
Cologne	F	10	50	Los Angeles	F	15	59	Reykjavik	C	-3	27	Zurich	C	04	39
Copenhagen	C	05	41	Luxembourg	Fg	05	41								
Corfu	S	15	59	Madrid	F	14	57								
Dallas	C	02	36	Majorca	S	17	63								
Dublin	C	08	46	Malaga	S	15	59								

Readings at mid-day yesterday

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Dollar continues to rise

Continued from Page 1

the West German central bank was no longer so committed to capping the dollar's strength.

There was some scepticism about this in New York last week, which appeared to be confirmed by comments yesterday by Mr Karl Otto Pöhl, president of the Bundesbank and chairman of the Groupo of Ten leading industrialised nations. Speaking in Basle, where he is attending a meeting of the Bank for International Settlements, Mr Pöhl said that there was full agreement between the Bundesbank, the Fed and the Bank of Japan on exchange rate policy.

He also said there was no disagreement between himself and Mr Schlesinger and that West Germany wanted a strong D-Mark, which he said was appropriate and reasonable for a country with a large current account and trade surplus.

The dollar has been supported by a number of favourable factors, including the tight monetary stance adopted by the Fed and by Mr Schlesinger's remarks.

FINANCIAL TIMES
COMPANIES & MARKETS
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INSIDE

Heavy trucks on collision course

VOLVO

It is do or die time in the North American heavy trucks market. Through a joint venture with General Motors, Sweden's Volvo is planning a fierce production and sales drive in this overcrowded sector where financial inducements are already equivalent to discounts of up to 30 per cent. Some industry observers see the strategy as overly ambitious. But if it should prove successful, they suggest, it is virtually certain to force at least one major manufacturer out of business. John Griffiths reports. Page 20

Adding to the indices equation

West Germany's Frankfurter Allgemeine Zeitung (FAZ) index has fired a new salvo in the "battle of the indices" by updating its list of constituents and shifting its emphasis to the service sector to give a truer picture of the stock market. Some have argued that the changes in the FAZ, which competes with the DAX and the Commerzbank indices, influenced last week's strong share price gains, but others think reaction to the revised FAZ has been exaggerated. Page 38

Holly does not go lightly

Tyson Foods, the largest poultry producer in the US, is out to prove it is no chicken in its struggle to take over fellow processor, Holly Farms. The company has remained undaunted in its bid, in spite of Holly's hopes for a merger with white knight ConAgra, a flour milling and food processing group. Deborah Hargreaves in Chicago looks at how the odds in this long-running battle have begun to swing in Tyson's favour. Page 18

What price success?

Heightening the controversy over portfolio valuations that already exists in the property industry, valuers have become the key players in the takeover contest for Hammerson, the UK property group. Their assessment of Hammerson's portfolio will establish whether Rodamco's bid for the company, in its existing or any revised form, is likely to succeed. Page 25

Down-to-earth anxiety

Prince Charles (left) highlighted over the weekend the growing public anxiety about modern farming methods. Contaminated eggs, nitrates in water and hormones in beef have all made headlines in the UK recently. David Richardson argues, however, that so-called organic farming can lead to more problems than properly managed intensive farming, and urges consumers to learn to tell the difference between real and imagined dangers. Page 26

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Kaufhof	409	+	18
Nixdorf	348.5	+	12.4
Bay Vereinsbank	394	+	12.5
Bayer Hypobank	381	+	11
Commerzbank	246	+	4.5
Falls			
D'sche Babcock	155	−	4
NEW YORK ($)			
Rises			
Blue Arrow	17	+	1 1/2
Federal-Mogul	51 3/4	+	2 3/4
Pacific Res.	18 1/2	+	4 3/4
Falls			
Polaroid	36 5/8	−	1 7/8
Super Rite Food	20 1/2	−	1 3/8
Westinghouse	53 5/8	−	3/4

New York prices at 12.30.

LONDON (Pence)			
Rises			
Alliance Tst.	846	+	17
Blue Circle	448	+	10
Brit. Aero	446	+	10
Enterprise Oil	494	+	14
Etam	147	+	6
Eurotherm Int.	383	+	5
Eurotunnel	593	+	50
GEC	221	+	19
Glaxo	1101	+	21
Hawker Sidd.	558	+	14
London Shop	343	+	13
Lucas Inds.	543	+	15
Racal Elect.	292	+	5
Racal Telecom	195 1/2	+	4 1/2
Slough Estates	306	+	12
Sun Life	883	+	15
TACE	180	+	9
Tomkins	205	+	9
U.K. Paper	190	+	8
Unitech	208	+	13
Wood (S.W.)	150	+	9
Falls			
Armstrong Eq.	147	−	12
Radio City A	345	−	18
STC	265	−	7

PARIS (FFr)			
Rises			
OFP DS	18	+	5
Facom	1285	+	103
Eurotunnel	98.3	+	4.9
SEB	897	+	48.5
Falls			
LVMH	3725	−	340
Gascogne	582	−	35
TOKYO (Yen)			
Rises			
Ishikawa Seisak	1230	+	200
Tokyo Kaiki	1690	+	200
Riken	900	+	100
Falls			
Yokogichi Ware	1050	−	90
Tosho Printing	1700	−	140
Tokyo Kikai Sei	1650	−	120

De Benedetti builds stake in De La Rue

By William Dullforce in Geneva and David Waller in London

SOCIETE FINANCIERE de Genevè, the Swiss holding company controlled by Mr Carlo De Benedetti, the Italian businessman, has accumulated a 4.9 per cent stake in De La Rue, the UK financial printing company, over the past six months.

Mr Tony Kirk, Sofigen's managing director, described the stake yesterday as "an opportunistic investment in a very interesting, fast-growing company" which had been diversifying from its principal banknote printing business into bank security systems.

De La Rue said that it was fully aware of Sofigen's holding. According to Mr John White, finance director, the shares had been accumulated gradually, with the first buying detected last summer. "They have given us no reason to think that their holding is anything other than friendly," he said.

The holding has cost Sofigen around £30m. Mr Kirk declined to say whether it was continuing to buy De La Rue shares, but pointed out that under London Stock Exchange rules it would have to inform the market if its stake went over 5 per cent.

Mr Robert Maxwell, the British publisher, bought 14.9 per cent of De La Rue in the immediate aftermath of the stock market crash in October, 1987. Last month he reported that he had taken his holding to more than 15 per cent.

There has been some speculation that Mr Maxwell might dispose of his De La Rue stake following the sale of BPCC, his main British printing business, in a leveraged buy-out in December. This has helped keep the share price at a level that many analysts feel is unjustified on trading grounds alone.

De La Rue recently announced a flattish set of interim results, with pre-tax profits for the six months to September up by 7.8 per cent to £23.3m ($42m). In the last full year, profits amounted to £62.4m on turnover of £484m. With its shares at 417p yesterday, the company is capitalised at £576m.

In 1987, Cerus, Mr De Benedetti's holding company in Paris, built up a 4.9 per cent stake in Pearson, the publishers of the Financial Times, which it later sold to Mr Rupert Murdoch at a substantial profit.

Mr De Benedetti has being showing greater interest in the UK since his attempt in the first half of last year to gain control of Société Générale de Belgique.

It was part of Sofigen's charter to seek interesting investments for the De Benedetti group in the UK, Mr Kirk said.

The Swiss company holds a 4.9 per cent stake in Brown Shipley, the British merchant bank which is being re-organised by a new management headed by Mr John Van Kuffelar. Shortly after its foundation in 1986, Sofigen bought just less than 2 per cent of S.G. Warburg.

More recently it has taken a 9.8 per cent stake in North Sea Assets, originally an investment trust in the oil services sector, which is being restructured, under the management of Lazard Bros, by a group comprising the Equitable and Prudential insurance companies and Gyllenhammar Bank.

Mr Kirk also disclosed yesterday that Sofigen is setting up what he described as Austria's first independent merchant bank in Vienna in a joint venture with local interests.

Sofigen's new image. Page 20

Red faces at NatWest over Blue Arrow

Philip Coggan and **David Lascelles** in London look at today's tense board meeting

Some of Britain's most eminent industrialists will meet in the City of London today for a tense and potentially embarrassing meeting which will review one of the most controversial share issues of recent years – Blue Arrow's £837m ($1.5bn) rights issue and its aftermath.

The issue provoked a Department of Trade and Industry investigation into the activities of County NatWest, the investment banking arm of National Westminster Bank.

Today the board of National Westminster meets for the first time since the inquiry was announced and the affair is sure to be high on the agenda.

The 30-member board is dominated by non-executive directors, who include Sir Peter Walters, chairman of BP, Sir Edwin Nixon, chairman of IBM UK, Mr Antony Pilkington, chairman of Pilkington, Mr Christopher Tugendhat, chairman of the CAA, and Baroness Young, formerly leader of the House of Lords.

They will have to decide what, if any, action to take in the light of the continuing unfavourable publicity about County.

Since the DTI inquiry was announced, there has been a steady trickle of fresh revelations – and allegations – about the affair, prompting questions about the future of County, known for its aggressive style.

Simultaneously, Blue Arrow, the world's largest employment agency, has faced a revolt from some of its key American franchisees and may yet face a takeover bid or break-up. Its board is also expected to meet this week to discuss "the best way to maximise shareholder value."

So just what has made the Blue Arrow deal turn so sour?

Back in 1987, Blue Arrow's takeover of fellow employment agency Manpower seemed ideal

NatWest head Tom Frost: expected to justify strategy

for County NatWest to parade the advantages of being an integrated securities house.

County provided corporate finance advice, underwrote the UK's largest ever rights issue needed to pay for the deal and also provided back-up finance.

But problems started on the day it became clear that Blue Arrow's rights issue was going to achieve only a 49 per cent take-up. In itself, the take-up was unsurprising; the market had inched lower since the issue was launched and Blue Arrow was a very young company to be launching an issue of such size.

However, rather than let the issue drift into the hands of the sub-underwriters, County and broker Phillips & Drew decided to place the excess shares, an exercise which they declared to be a success. It was only later that it emerged that County itself had ended up with 9.5 per cent of Blue Arrow's equity – news which eventually provoked the DTI inquiry.

If the stock market had rebounded in late 1987, County might have been able to shed its holding without problems. But the crash prevented that and caused the bulk of County NatWest's £116m losses that year.

The key question for the inquiry is whether County's decision, taken after legal advice, to split its holding between its investment banking and market-making arms exempted it from the disclosure requirements of the Companies Act.

Since the investigation was launched, however, further important facts have emerged. First, there was a complex indemnity agreement between County and Phillips and Drew which may have had the effect of giving the former a disclosable interest in the latter's Blue Arrow shares.

It is still far from clear how many shares Phillips and Drew and its parent company, Union Bank of Switzerland, actually owned after the placing. UBS/Phillips and Drew are refusing to comment except to say they no longer have a stake.

On Friday, Mr Tony Berry, Blue Arrow's chairman, said that investigations by Blue Arrow last year revealed that UBS had owned a 4 per cent stake which was subsequently sold.

However, there has been speculation that the combined County/Phillips and Drew/UBS stake may have been higher than 13.5 per cent.

Also, County's investment management arm owns around 1.1 per cent of Blue Arrow's equity and corporate clients of County – Beazer, the construction and building materials group, and Pleasurama, now part of Mecca Leisure – picked up a further 0.75 per cent.

Reports that County gave its market making arm an indemnity against losses are under-

Blue Arrow chairman Tony Berry: trying to distance himself

stood to be incorrect. However, the holding was placed in a special account so that any losses or profits would not affect the profitability of the market-making arm for management accounting purposes, on which executive pay bonuses were partially based.

County NatWest has had little to say about the various allegations and revelations, stating that it is awaiting the announcement of the DTI inquiry.

Mr Berry was doing his best to distance himself from the bank last week, stating that he did not know about the 9.5 per cent stake until it was officially announced in December 1987. County would only say that it was "surprised" at Mr Berry's statement and was waiting for him to clarify it.

Whatever other facts emerge, the affair is deeply embarrassing for National Westminster and is bound to raise questions about the aggressive move into investment banking by a staid High Street clearer.

Today's meeting is unlikely to produce any major strategic decisions about NatWest's troublesome subsidiary. At the most, its future may be "reviewed."

But the non-executive directors will want to know why the DTI inquiry has been announced in spite of the completion of an internal probe by Sir Philip Wilkinson, a deputy chairman.

Executive directors will also be asked to justify NatWest's pursuit of its investment banking strategy in spite of the huge losses and painful embarrassments it has caused. The executive board membership includes several executives directly linked with the decision to launch County NatWest three years ago, and to continue expanding it now.

These include Mr Tom Frost, the present chief executive, Sir Philip Wilkinson, the past chief executive, Mr Terry Green, the temporary chief executive of County NatWest, and Mr John Plastow, head of the related banking services division which handled the initial formation of the investment bank.

All have, at times, strongly supported NatWest's move into investment banking, claiming that it was vital to the group's future as a financial institution of world standing. The word from NatWest's headquarters remains that it wants a flourishing investment banking capability.

Some key managers, such as Mr Jonathan Cohen, chief executive of County, and Mr Charles Villiers, chairman, have already resigned. Others, such as Mr Nick Wells, the young corporate financier who handled the deal, have also departed.

However, nearly a year after its chairman and chief executive resigned, County still has no new chief executive, and is still operating at a large loss.

European power groups to merge

By Alan Friedman in Milan

AN AGREEMENT to merge the power generation assets of Italy's state-owned Finmeccanica group with the Italian holdings of Asea Brown Boveri (ABB), the Swedish-Swiss group, is imminent.

The deal, likely to be announced this week, will create a company with annual turnover of about $1bn by uniting Ansaldo Componenti, the Italian steam turbine and boiler subsidiary of Finmeccanica, with the industrial assets of the privately held Franco Tosi; these latter assets are in the process of being sold to ABB.

Ansaldo Componenti had 1987 sales of L900bn ($669m) while Franco Tosi had 1987 turnover of L367bn.

Mr Fabiano Fabiani, managing director of Finmeccanica, last night said the move "will be an important step in rationalising the Italian and southern European power generation business, with the prospect of 1992 very much on our minds."

The new joint group, which is expected to consist of three or four separate companies, is an important achievement for Finmeccanica, which has been seeking to rationalise the Italian market for two years. Finmeccanica was angered initially in 1987 when ABB began separate dealings with Mr Giampiero Pesenti, whose Italmobiliare holding concern owned Franco Tosi.

Last November it was announced that ABB is to acquire Tosi's industrial assets (steam turbine and boiler manufacture plus turn-key power plants), but the price of the transaction has yet to be fixed. It is believed that ABB might pay in excess of $300m for the Franco Tosi assets.

The Finmeccanica-ABB deal is expected to see the creation of a joint concern taking in the Italian turbine and boiler making businesses of ABB, including Tosi, and Ansaldo Componenti; this company is to be 60 per cent controlled by Finmeccanica.

A second company will bring together the export and overseas business, especially in the plant sector, while a third company, built around the transformer business, is expected to be 60 per cent controlled by ABB.

Discussions are meanwhile still under way about the possibility of a fourth ABB-Finmeccanica company in the electric motor sector.

Mr Fabiani, although he could not discuss details of the accord, said last night he was very pleased that Finmeccanica and ABB would soon be partners.

US stalls ABB venture, Page 18

EC clears way for CMB deal

By Maggie Urry in London

THE EUROPEAN Commission has said that on a preliminary examination it does not intend to intervene in the proposed £780m ($1.4bn) merger between Metalbox Packaging, the packaging business of the British MB Group, and Carnaud, the French packaging company.

This was revealed yesterday in a circular posted to MB shareholders, urging them to vote for the merger at a special meeting on February 24.

The circular also says that the deal has been cleared by the UK and West German merger authorities. It must also be approved by the British High Court. MB shares rose by 6p yesterday to 274p.

Mr Brian Smith, chairman of MB, tells shareholders that the deal is intended to create "a European-based world class packaging business" to be called CMB. Its particular objective will be "to meet the needs of its customers in the European Community single market."

MB also forecasts a second interim dividend of 5.5p net, to give a total for the year of 8.5p, an increase of 21.4 per cent.

If the resolutions are passed by shareholders, a new MB group will be formed on April 1 out of the rump of the existing group. It will consist of two wholly-owned businesses – in heating and bathroom products and cheque and business form printing – a stake in CMB and net cash of £160m. It will have a December year end to match that of CMB.

The 127-page document also reveals that MB received notification of a legal action for damages against it on January 3, from the parent of Ferembal, a French packaging company for which MB had bid £18m.

MB pulled out of that deal at the same time as the merger with Carnaud was announced. But the company said yesterday it "believes it has legal defences to such claims, and they will be vigorously resisted."

The new MB will retain a 25.55 per cent stake in CMB and will be closely involved in the company's management, Mr Smith emphasised yesterday. MB shareholders will also be given shares in CMB directly.

Compagnie Générale d'Industrie et de Participations (CGIP), a major shareholder in Carnaud, will also have a 25.55 per cent stake in CMB. A 10-year shareholders agreement between MB and CGIP provides that if one party is taken over the other will have the right to buy its CMB stake at a 20 per cent premium to the average market price over the previous 60 days.

Boost for UK investment trusts

By Nikki Tait in London

BRITAIN'S £20bn ($35.5bn) investment trust sector yesterday got its first fully-indexed fund, as proposals to convert New Tokyo Investment Trust from a fund specialising in small and medium-sized Japanese companies to one which tracks the Tokyo First Section won shareholder backing.

The proposal had been put forward by London & Bishopsgate Holdings, a new fund management company owned principally by Mr Robert Maxwell, the publisher, and Lord Donoughue, formerly head of international research at Kleinwort Greiveson. It was opposed by the board of New Tokyo, a £78m trust managed by Edinburgh Fund Managers, which recommended that the trust continue with its present investment policy.

The board, however, had also offered shareholders an alternative "unitisation" proposal which would have involved turning the investment trust into a unit trust, and thus allowing shareholders to cash in at a substantially reduced discount.

Yesterday, at an extraordinary general meeting in Edinburgh, shareholders speaking for 21.77m shares voted in favour of the LBH proposals, while shareholders speaking for only 2.92m voted against. The proposals required a 50 per cent majority to be carried. Accordingly, the second unitisation motion was not put to the meeting.

The turnout, however, was relatively low – the maximum number of shares which could have been voted was 44m. LBH had also built up a 27.51 per cent stake in New Tokyo itself.

Yesterday, Lord Donoughue said that much of this stake will now be sold on to an unnamed pension fund investor in due course.

LBH, which takes over the management of the trust from EFM, plans to reduce the portfolio to 60 liquid Japanese stocks. These, it believes, will enable overall performance of the trust to track the First Section of the Tokyo market – itself comprising over 1,100 stocks – with acceptable accuracy.

Suggestions that some investment trusts could usefully convert to index funds – for which there currently appears to be some demand – has been mooted for some time, but this is the first existing trust to be reorganised fully in this way.

There have recently been a number of "tracker" unit trusts launched, but because investment trusts do not have to deal with inflows of new money, it has been argued that these are more suitable vehicles for the application of indexation techniques.

Yesterday, shares in New Tokyo gained 3p to 156p.

Tyson set to devour Holly Farms

Deborah Hargreaves examines a US food industry takeover battle

Tyson Foods, the largest poultry producer in the US, is out to prove it's no chicken in its long-running struggle to take over fellow processor, Holly Farms. On Friday, the company upped its hostile bid for Holly to $60 a share, with a total value of $1.06bn.

Tyson now looks set to beat ConAgra, the giant flour milling and food processing company, in an open auction that Holly has set for tomorrow. Holly had turned to ConAgra as a white knight to rescue it from Tyson's hostile pursuit, but the two groups' $1.03bn stock swap merger deal was recently blocked by a Delaware Court ruling.

Hailed as a victory for Tyson, the court upheld a challenge by the chicken producer that certain provisions in the merger deal ended an "active auction" for Holly. It specifically blocked an option for ConAgra to buy almost half of Holly's assets if the acquisition was not completed as well as Holly's commitment to pay a $15m termination fee."

Holly has now called on both companies to submit their highest bids by tomorrow. Although ConAgra's stock swap agreement with Holly is valued just under Tyson's recent bid at $59.25 per share, the company is expected to be reluctant to be drawn into an outright bidding war. Wall Street arbitrageurs who have accumulated a large chunk of Holly's stock are likely to favour an all-cash deal.

It is sheer desperation to get its hands on Holly's chicken supply that is making Tyson so determined in its hostile bid. As consumers turn their backs on red meat in favour of chicken and fish, Tyson has seen its business booming.

By April, the company will be running flat out on poultry production and could face difficulties satisfying demand if it fails to acquire Holly; the nation's fifth largest producer.

As Mr Jim Blair, the company's general counsel, explains: "Their plants are just perfect to convert, and although we'd have to put some money into it...it wouldn't be as expensive as building two new plants of our own which will cost us $60m."

Indeed, if the company succeeds in buying Holly, it will not have much spare cash to put into expansion. The cost of the acquisition could push Tyson's long-term debt ratio to over 80 per cent of capital, which could prove hazardous in a cyclical business.

But Mr John McMillin, analyst at New York's Prudential Bache brokerage firm, believes Tyson is a company that feels comfortable with debt. The existing debt-to-capital ratio is already close to 50 per cent and Tyson has a history of leveraging its balance sheet in order to promote growth.

Tyson has said it will sell Holly's rendering business if it acquires the company. The unit, National By-Products, acts as a stand-alone corporation for processing animal carcases and hides, with income last year of $166m. But the division may be hard to sell, since consolidation in the meat business has cut growth for independent operations.

With US chicken consumption surging last year to 77lbs per person from 50lbs in 1980 – despite higher prices – and Tyson's fast food customers crying out for more products, the company is being hard-pressed to expand.

In the past, Tyson has favoured acquisition as a way to grow, and 30 of its 32 processing plants were purchased. The company has seen its sales jump from the $600m mark to over $2bn in the past six years.

Since it entered the restaurant business in 1969 with the acquisition of Prospect Farms, which had a contract to provide frozen fried chicken to the Sambo's chain, Tyson has secured long-term contracts with many fast food outlets and restaurants. It provides such products as Chicken McNuggets to McDonalds and breaded chicken to Wendy's and Burger King.

With some 55 per cent of its output going into restaurants, Tyson has insulated itself from some of the more drastic vagaries of the commodity chicken business. The company has seen significant growth in its income in past years while other producers, such as Holly, have been harder hit by a squeeze on margins.

Poultry prices rose by 22 per cent last year, according to Mr Tom Morgan, who runs Sterling Research, a commodities analysis firm, but these were from low levels after intense competition caused some price undercutting in late 1987 and early 1988. Profitability was also cut by sharply higher feed prices – maize prices rose 43 per cent during a long summer drought in the Midwest.

As a consequence of the heavy competition in the chicken market, Holly posted a loss on its poultry operations for fiscal 1988 (which ended on May 28). This led to drop in income of 57 per cent, with per share profit down to $2 from the previous year's $4.14.

However, the company has recently managed to turn its fortunes round with the help of an improving chicken cycle and has already notched up earnings of $2.87 per share for the first half of its 1989 financial year. Analysts have been so impressed with Holly's recent performance they have adjusted earnings estimates to above $5 a share for the year.

If Tyson succeeds in its bid to win Holly, the acquisition will boost Tyson's market share for chickens from 18 to 28 per cent. But, while the additional chicken capacity is important, Tyson is also attracted by Holly's food service division.

Holly has expanded its food service operations in recent years to take advantage of consumer interest in ready-made frozen foods. The division has grown to contribute around a quarter of Holly's revenues

Tyson could be left in a vulnerable position if the merger between Holly and ConAgra succeeds. Not only would the combination boost the joint company's poultry market share to 18 per cent – on a par with Tyson's – but ConAgra would significantly strengthen its range of prepared beef, chicken and pork dishes – an area where Tyson has been losing market share.

Tyson itself has not been immune from pressures in the poultry market. The company saw pre-tax income drop by 15 per cent last year. This was boosted by an extraordinary gain of 22 cents a share, which brought total profit to $1.27 a share from the previous year's $1.06. Analysts have put the poultry producer's income at $1.35 a share for this year.

Holly's food service division could help Tyson further insulate itself from the ups and downs of the US chicken market. The company has recently made a push to expand overseas for the same reason. Last week, it announced a joint venture with a Mexican poultry producer and it plans to extend its market share into Canada and Japan.

Koor sells Teva stake to raise much needed cash

KOOR INDUSTRIES, Israel's largest company, has agreed to sell its minority shareholding in Teva, the country's leading pharmaceuticals producer, to a local consortium for some $38m in an effort to raise desperately needed cash, writes Andrew Whitley in Jerusalem.

A consortium made up of a wholly owned subsidiary of Teva and two Israeli banks, Hapoalim and Leumi, are to take over the holding of up to 25 per cent in Teva, in what Israeli financiers said was a "parking operation" until a final purchaser could be found.

However, Hapoalim also happens to be Koor's largest single creditor, owed approximately half of its $1.275bn debt. And questions may be raised by foreign banks – which are negotiating a creditors' arrangement with Koor – as to whether the deal transgresses strict conditions laid down by a Tel Aviv court on the disposal of the industrial group's assets.

Completion of the sale thus hangs on a pending decision by Judge Eliyahu Winograd, who last month gave Koor until January 22 to work out a compromise settlement with its foreign creditors led by Bankers Trust. The US bank had petitioned the court to have Koor compulsorily liquidated.

The final purchase price will be determined according to the average price of Teva shares on the Tel Aviv Stock Exchange over the preceding 30 days. The transaction will give each participant a stake of about 8 per cent in Teva.

Washington stalls ABB joint ventures

By Roderick Oram in New York

TWO PROPOSED joint ventures between Westinghouse Electric of the US and Asea Brown Boveri (ABB), the Swedish-Swiss group, have been stalled by US Justice Department concerns over the resulting reduction in competition in several key electrical engineering markets.

The US Government, said yesterday it would sue to block the ventures unless the groups addressed its concerns.

The case, one of the largest anti-trust issues tackled by the Reagan Administration, involves joint ventures with annual sales of over $2bn and large market shares in important market segments.

Westinghouse Electric said only: "We are going to continue to work with the Justice Department and ABB to resolve this."

Under last spring's agreement in principle, ABB was to pay Westinghouse $500m for 45 per cent stakes in two manufacturing and service ventures in the US market – one for steam turbines and other electrical generation equipment and the second for power transmission and distribution equipment. After two years, ABB could choose, or Westinghouse could insist, on it buying out the US interest.

The ventures were seen as a logical step towards rationalising the long-depressed power equipment business, which has suffered a long slide in orders since the early 1970s.

The Justice Department was concerned, though, that after the two companies merged their interests, General Electric of the US would be the only other large player in the US turbine market.

The second joint venture also ran into anti-trust issues. The Justice Department calculated, for example, that it would have more than 50 per cent of the $400m a year US market for large-scale power transformers.

The fact that negotiations with the deparment had gone on so long indicated "neither an easy nor an obvious solution has occured" to the companies, an official said.

NatSemi sells half of plug compatible computer unit

By Louise Kehoe in San Francisco

NATIONAL Semiconductor announced yesterday it has agreed to sell a 50 per cent stake in its National Advanced Systems (NAS) plug-compatible computer subsidiary to Memorex Telex (MT). Under the terms of the deal, NAS will become an independent joint venture equally owned by both parties.

The deal, expected to be ratified by a definitive agreement within a month, is seen as the first step towards the formation of a major marketing entity in the plug-compatible computer market selling primarily Japanese computer equipment in the US and Europe.

National Semiconductor will receive a cash payment of $250m and 4m shares of Memorex Telex common stock and MT will acquire a 50 per cent interest in NAS. MT will also receive an option to purchase the remaining NAS stock from National at a later date.

With annual sales of $900m, NAS is currently the second largest supplier of plug-compatible mainframe computer systems. The company markets mainframe and disk drive systems manufactured by Hitachi in Japan. According to National Semiconductor, Hitachi has agreed to continue to support its agreements with NAS when the joint venture is formed.

By joining forces with Memorex Telex, NAS will gain significant marketing strength in the US and Europe. Memorex Telex is a leading supplier of communications and storage peripheral equipment in the plug-compatible market, with sales last year in excess of $2bn.

National Semiconductor has been rumoured to be seeking a buyer for NAS for several months. The company's profit margins have been under severe pressure due to price competition with IBM, Amdahl and others, while the rising value of the yen has forced up its costs.

The joint venture will keep the name National Advanced Systems and will be headquartered in Santa Clara, California. The current management of NAS is expected to remain in place, according to National Semiconductor.

Mr Giorgio Ronchi, president and chief executive officer of Memorex Telex commented: "This relationship should prove beneficial to both companies and to our combined customer base. Through co-operative programmes, we will substantially enhance the worldwide PCM market."

Polaroid stock falls after court backs bid defence

By James Buchan in New York

STOCK IN Polaroid, the US maker of instant cameras, fell sharply yesterday in response to a key court ruling that could block a $2.75bn takeover bid for the company.

Friday's ruling by the Delaware Chancery Court to allow Polaroid to issue a big block of stock to its employees is expected to lead to increased use of employee stock ownership plans or Esops as defensive measures.

Polaroid stock was trading yesterday at $36⅛, down $2⅛, amid increasing scepticism that interests led by Mr Roy Disney, the West Coast investor, would be able to acquire the Cambridge, Massachusetts company.

By noon yesterday, Shamrock Holdings, the investment arm of the Disney family, had still not responded to Friday's unexpected ruling by a Delaware court which let stand the company's plan to put 14 per cent of its stock in the hands of its employees. Analysts such as Mr Alex Henderson, of Prudential-Bache, said they expected Shamrock to continue to offer $40 a share despite the setback.

The Esop, which was created just before Shamrock announced its bid last summer, is a big hurdle to hostile takeover. Under the state law of Delaware, where Polaroid is incorporated, Shamrock must control at least 85 per cent of Polaroid or wait three years to enjoy tax and other benefits of a merger.

The Delaware Chancery Court on Friday rejected Shamrock's claim that the Esop was an unfair defence because it was designed to protect management not stockholders. Ms Carolyn Berger, the vice-chancellor, ruled that the Esop, though partly defensive, could aid shareholders because it might lead to lower labour costs and other benefits.

"This ruling certainly broadens the scope of an Esop as a takeover defence," said Mr Corey Rosen of the National Centre for Employee Ownership in Oakland, California. "My guess is we'll see more Esops in public companies, though not a dramatic increase."

Barrick plans to raise Nevada gold output

By David Owen in Toronto

AMERICAN Barrick Resources, the Toronto-based gold producer, is to quintuple annual production at its Goldstrike Mine in Nevada over the next three years, transforming the property into one of the largest gold mines in North America.

Plans call for output from the mine, which Barrick acquired in early 1987, to total fully 900,000oz of gold in 1992. Production targets for the intervening years are respectively 180,000oz in 1989, 300,000oz in 1990 and 375,000oz in 1991.

On completion of the project in 1992, Barrick's annual production will amount to some 1.1m oz, placing it in the front rank of North American gold producers.

Total reserves at Goldstrike are put at 16m oz, of which 12m oz lie within the Betze and Post surface deposits earmarked for exploitation under the plan. The company expects the 4m oz remaining in the Deep Post deposit to "contribute significantly" to total production after 1995.

BHP to purchase Pacific Resources for US$378m

By Gordon Cramb

BROKEN HILL Proprietary (BHP), the Australian resources multinational, yesterday acted to expand its Pacific energy presence and move downstream through the US$378m agreed acquisition of Pacific Resources (PRI), a Honolulu-based oil refining and marketing company.

BHP is offering $19 per share for PRI, which is listed on the New York Stock Exchange. Its bid is conditional on 75 per cent acceptance, but the Melbourne company said it already held options representing at least 43 per cent of PRI.

These had been granted by the PRI board and by Alexander & Baldwin, Hawaii's largest cane sugar grower, which controls more than a third of the company.

Takeovers of large Hawaiian companies have remained relatively rare, although Australian investors have been among those active recently in the state's property market.

The price per share being paid is a 38 per cent premium on PRI's closing market level of $13¾ on Friday. PRI shares shot up in early trading yesterday but stayed below the offer price at $18½, suggesting that the deal was thought likely to go through on the agreed terms.

BHP has had long-standing business links with PRI through the supply of crude from the Bass Strait fields off Melbourne, and more recently from the Timor Sea north of Australia, to PRI's Hawaii refinery.

This facility, of some 67,900 barrels a day, produces a range of refined products including marine diesel fuel for the US forces and petrol supplies for PRI's small but expanding chain of Gas Express outlets.

Mr Peter Wilcox, chief executive of BHP's petroleum division, said yesterday that the purchase brought significant refining and marketing operations into the group for the first time, helping to reduce potential earnings volatility.

He added: "PRI will be a centrepiece for our further expansion into the refining, marketing and petroleum trading businesses in the high-growth Pacific Basin market."

Just over a year ago, BHP paid $398m for a half stake in the Denver-based Hamilton Oil, a leading North Sea producer, as part of its efforts to diversify its energy operations.

Management and staff of PRI are to remain in place. Mr Robert Reed, its chairman, said the merger would "provide wider opportunities and greater resources for us to expand our operations throughout the Pacific Basin."

PRI, which has had a patchy earnings record, made net profits for the nine months to September of $30m on sales of $674m. Its assets are valued at $538m.

BHP, which is Australia's largest company and has interests in steel, coal and metals, made net profits of A$979m (US$842.9m) in the year to last May on revenues of A$10.9bn.

Okinawa Electric issue in demand

By Our Financial Staff

OKINAWA ELECTRIC Power, a utility that is being privatised by the Japanese Government, attracted almost full subscription for its share issue yesterday, the opening day of an 11-day selling period.

The issue, being conducted in three tranches, will bring in a total of some Y36.7bn ($289.8m). The sale began last November when around 10.2 per cent of the company's equity was auctioned. The weighted average price achieved there, of Y2,487 per share, was taken as a guide for pricing the remainder, fixed at Y2,490.

Shares in the country's large private-sector electric power companies have risen strongly in recent months and the Okinawa offering – like the market as a whole – appeared untroubled yesterday by the death of the Emperor.

Yamaichi Securities, which is leading the syndicate managing the sale, placed 7.22m shares with selected buyers and made 6m units available for public subscription. A Yamaichi official said almost all had now been allocated. The company will be listed on the over-the-counter market.

The mechanism used in the flotation parallels the initial offer for Nippon Telegraph and Telephone, the privatised telecommunications utility, where an auction among institutions was conducted to arrive at a guide price.

It contrasts with the controversial offer in November for Mitsubishi Motors Corporation (MMC), shares in which were placed entirely with favoured clients of the underwriting securities houses. When trading opened in MMC, the shares shot to an immediate 70 per cent premium.

Shell expands in polypropylene

By Peter Marsh

SHELL Chemical (Australia), part of the Royal Dutch/Shell group, is to spend A$170m (US$145.4m) on facilities in Sydney to make polypropylene, a fast-growing plastic.

The company said yesterday the cash would be spent on a new plant for polypropylene and on expanding an existing oil refinery that makes propylene, the main raw material for the plastic. Shell hopes the facilities will be in operation by 1991.

Demand for polypropylene, which is widely used in products such as kitchen goods, furniture, toys and cars, has been surging in many parts of the world. In Australia in recent years consumption has been growing at about 9 per cent per annum.

Shell is the world's second-biggest producer of polypropylene after Himont, a company controlled by Italy's Montedison. It makes roughly 600,000 tonnes a year of the material, some 10 per cent of world output. The company's main plants are in the US, Britain, the Netherlands and France.

The Sydney plant will have a capacity of 80,000 tonnes a year and will replace an existing 17-year-old facility in Sydney which has an annual capacity of 35,000 tonnes.

The plant will use a catalytic process developed jointly by Shell and Union Carbide of the US.

Other big producers of polypropylene are Amoco of the US, Britain's ICI and Hoechst of West Germany. In recent years a number of the biggest producers have announced new polypropylene production facilities. This has led to fears that the worldwide market for the material might be overheating, something that could lead to a global glut in the plastic by the mid-1990s.

Nestlé to acquire stake in Malaysian producer

By Lisa Wood

NESTLE, the Swiss foods group, is expanding its confectionery manufacturing interests in Asia by forming a joint venture with Grand Central Investment Holdings, the London-listed food manufacturing and distribution group active in the region.

Over the next four years Nestlé, under an agreement announced yesterday, will acquire a 49 per cent stake in Upali, Grand Central's Malaysian consumer chocolate subsidiary, at a cost of up to 11m ringgit ($4m). Thereafter Nestlé has an option, exercisable at any time, to buy a further 1 per cent.

Upali, whose Kandos brand has a substantial share of the small Malaysian chocolate market, will manufacture Nestlé and Rowntree products under licence for sale in Malaysia. Grand Central will retain ownership of Upali's cocoa processing activities which are being transferred into a new company.

The world's main confectionery groups – which include Nestlé and Jacobs Suchard in Switzerland, Hershey of the US and the UK's Cadbury Schweppes – are all seeking to expand their activities in the Asia-Pacific region. Cadbury, for example, is making an A$400m (US$344.4m) bid to buy out the minority interests in its Australian subsidiary, which it wants to use as a platform to expand throughout the Pacific Rim region.

Bank Bumiputra records net loss of 5.9m ringgit

By Wong Sulong in Kuala Lumpur

BANK Bumiputra, Malaysia's largest bank, has reported a small pre-tax profit of 3m ringgit ($1.1m) for the year to last March, but suffered a net loss of 5.9m ringgit compared with a previous after-tax profit of 5.7m ringgit.

The bank, which was hit by massive bad loans to Hong Kong property speculators and had to be rescued through a $1bn government rescue in 1985, expressed confidence of better times ahead because of the Malaysian economic recovery.

Tan Sri Basir Ismail, chairman, said: "The last couple of years have been a difficult period for Bank Bumiputra. None the less, we faced the situation and problems with realism. The required fundamentals are beginning to take root and show the desired results, albeit a little slowly."

The bank and most of its subsidiaries performed satisfactorily in the latest year except BBMB Kewangan, its finance company, which had losses of nearly 23m ringgit due to higher provisions for bad loans.

The bank's accumulated losses were reduced substantially to 448m ringgit by the transfer of 129m ringgit from reserves. Shareholders' funds increased marginally to 929m ringgit. Total assets rose 13 per cent to 18.9bn ringgit. Deposits increased 13 per cent to 12.7bn ringgit, but loans and advances fell 4 per cent to 8.3bn ringgit.

Philips' turnover up 7% to Fl 56.3bn

By David Brown in Amsterdam

PHILIPS, the Dutch electronics group, yesterday revealed that its turnover in 1988 advanced by 7 per cent in value to Fl 56.3bn ($27.5bn) from the Fl 52.7bn achieved the previous year.

Mr Cor van der Klugt, president, said it was too early to give any precise indications about profitability, but indicated that 1988 "hadn't treated Philips too badly."

He recalled the group's forecast at the end of the third quarter that net earnings would "at least match" the Fl 818m achieved the previous year, which was itself down 19 per cent from 1986.

For 1988, Philips' results will be bolstered by booking Fl 750m of its Fl 1bn income from the sale of the majority stake in its white goods division to Whirlpool of the US. Mr van der Klugt added that "further restructuring" steps could be expected in the coming year.

● DSM, the Dutch state-owned chemical company due to be partly privatised next month, said it would sell its 16 per cent stake in DAF BV, the vehicles group, after DAF's listing on the Amsterdam and London bourses planned for later this year. Reuter reports from Amsterdam.

DAF is the new Anglo-Dutch truckmaker that contains the merged activities of DAF Trucks and the Leyland truck and van production units of British Aerospace's Rover Group. In return, the Rover Group obtained a 40 per cent stake in DAF.

DSM said it was as yet unclear whether it would sell the 16 per cent stake at once, adding that any moves would be carefully planned with the truckmaker. "If we have to hold to our shares for a while in order not to spoil market conditions, then we shall do that," DSM said.

Apart from the Rover Group's 40 per cent stake, the founding family Van Doorne holds a 4 per cent stake in DAF BV; Amsterdam-Rotterdam bank has 1.5 per cent; and investment groups Vado, GDD and Inflfon have 22.5, 14 and 2 per cent respectively. Amro will lead-manage the DAF issue.

DSM took its 16 per cent stake – which was 25 per cent before a capital increase due to the Leyland acquisition – in the early 1960s when the closure of DSM's state mines caused mass unemployment and the Dutch Government promoted job creation in the Limburg mining province.

Dip at Dainippon Pharm

DAINIPPON Pharmaceutical, a medium-sized Japanese drug producer, yesterday reported unconsolidated pre-tax profits in the first half to November down 12.5 per cent to Y5.80bn ($45.8m). The fall was due mainly to government-guided price cuts, AP-DJ reports from Tokyo.

Net earnings dropped 40.3 per cent to Y2.06bn, or Y13.81 a share from Y23.15. Sales amounted to Y45.40bn, edging up 2.2 per cent.

Dainippon Pharmaceutical has decided to skip interim dividends ahead of a change in its fiscal year, which will begin on April 1 instead of June 1. In the year-earlier period, it paid a Y3.75 interim dividend.

Company officials said an average 8.2 per cent cut in the prices of some drugs hurt earnings. Competition on the domestic market also heated up, fanned by the introduction of new medicines.

Trucking west for a heavy market

John Griffiths on Volvo's North American venture with GM

Sweden's Volvo group is launching a fierce new heavy truck production and sales drive in North America, through its joint venture with General Motors. The three-phase capacity expansion involved could make the joint company a challenger for leadership of the world's largest heavy truck market by the mid-1990s.

Part of the extra capacity came on stream last month and this year is certain to cause a further sharp turn of the competitive screw in the US, where financial inducements to buy trucks are already equivalent to discounts of up to 30 per cent.

The joint venture company, Volvo GM Heavy Truck Corporation, has been preparing its ground for more than a year. The intention is to increase capacity in three stages to provide enough production by 1991/92 to support a near-20 per cent market share. The current market leader, Navistar (formerly International Harvester), has just over 23 per cent.

Some industry observers see the strategy as too ambitious. However, if it should prove successful, they suggest, it is virtually certain to force the withdrawal from the sector of one of its major rivals.

Mr Thage Berggren, Volvo GM's president and chief executive, readily acknowledges his belief that this could well be the case: "There will be a weed-out in the next downturn ... I think somebody will disappear."

Ironically, while General Motors remains a large-scale producer of medium- and lightweight trucks, Volvo GM Heavy Truck is the vehicle by which GM is tokenly avoiding its own ignominious withdrawal from the market for heavy-duty, Class 8 trucks with gross weights above 33,000lb.

GM, which in 1979 was second only to Navistar in Class 8 sales, has been abandoning its own production of these vehicles during the past few months. The last of its Brigadier mainstream heavy truck range came off the lines at its Pontiac, Michigan, plant a few weeks ago.

GM beat its final retreat from truck-making in Europe in December 1987 with the sale of its then heavily loss-making Bedford trucks business in the UK. The world's largest vehicle maker is thus very much the junior partner in Volvo GM Heavy Truck, bringing to it not much more than some dealers and an existing population of 100,000 heavy trucks as a source of parts and service business.

The venture also means that more than half of North America's heavy Class 8 trucks production is controlled by European companies: Mack Trucks is controlled by Renault of France and Freightliner by Daimler-Benz of West Germany. The assets of another former major player, White Truck, were bought by Volvo in 1981.

Volvo GM Heavy Truck, which currently employs 3,700, is 76 per cent owned by AB Volvo, through Volvo North America, and 24 per cent by GM. It is entirely under Volvo management control and will remain so even if GM exercises an option to increase its stake to 35 per cent if all goes well.

The venture was formed by the pooling of Volvo's US truck industry assets in the shape of the former Volvo White Truck with GM's vestigial Class 8 business.

While no formal valuation has been put on the joint company, Volvo GM expects to have a 1988 turnover of some $1.2bn, large enough to place it in the top 250 US industrial corporations if it were a separate, publicly-held entity.

Production is being stepped up by expanding the existing plants Volvo White brought to the joint venture – which had been making a combined 53 trucks a day – and through an additional truck-making plant which is due to come on stream at Orrville, Ohio, in January.

The first pre-production trucks began rolling out of Orrville last month and Volvo GM expects it to reach full output of 20 trucks a day by the middle of this year.

Meanwhile, output of what were formerly White trucks at the principal plant, in the New River Valley near Dublin, Virginia, has been stepped up by 50 per cent, from 40 to 60 a day, over the past few weeks. A third facility, at Ogden, Utah, where the group's Autocar rigid trucks are built, is producing 13 trucks a day.

Also forming part of a $140m investment programme, an existing facility near the new truck plant at Orrville is to step up its output of truck cabs from its current 72 a day to 95 a day. This expansion is partially offset by the winding-up of GM's own heavy truck production of 22 trucks a day.

However, according to Mr Berggren, another phase of expansion by 1991 is expected to see Volvo GM's total capacity increased to around 115 units a day. This is likely to be achieved by expanding capacity in Utah and installing a second shift at Orrville.

In addition, Volvo GM is marketing both Class 8 and slightly smaller Class 7 Volvo FE7 and FE6 trucks imported from Sweden but which, like all the other Volvo GM trucks, now carry a White GMC badge.

The increased output will provide Volvo GM with up to 23,000 Class 8 trucks a year, according to Mr Larry Oliphant, vice-president of sales and marketing, in addition to some 2,000 imports of lighter trucks from Europe.

US HEAVY TRUCK SALES* (January-November)

	Units	Mkt share
Navistar	31,010	23.07
Paccar	29,820	22.19
Freightliner	21,908	16.30
Mack	19,892	14.80
VolvoGMC	15,948	11.86
Ford	13,612	10.13
Western Star	1,334	0.99
Scania	144	0.11
Total	134,382	

*Class 8, over 33,000lb

For 1988, Mr Berggren said Volvo GM was on course to exceed its target of 20,555 factory sales – although this includes Volvo Class 7 imports and trucks distributed through its Canadian arm, Volvo GM Canada Heavy Truck.

Last year was marked by a grim battle between Navistar, the long-standing market leader, and Seattle-based Paccar, the maker of both Kenworth and Peterbilt heavy trucks. A prediction by Mr Charles Piggott, Paccar's chairman, that Paccar might just topple Navistar from the market leadership this year no longer looks like excess optimism.

Unit sales growth last year was helped by the total US market again being much larger than anyone had expected. Most forecasters expect total sales of around 140,000 units – some 7 to 9 per cent higher than in 1987, and nearly double the level seen in the trough of the last truck market recession in 1982.

Mr Oliphant, like other truck company executives in the US, thinks it unlikely, however, that growth can be sustained this year.

Volvo's increasing presence in the US market comes despite widespread predictions that the Volvo White enterprise it set up in 1981 would fail. Instead, Volvo White became profitable in 1984, with a market share rising from 4.9 per cent in 1981 to 10.1 per cent in 1986.

However, this was against the background of over-capacity and intensifying price wars in a very volatile Class 8 market. Both Volvo White and GM found themselves struggling, with GM eventually approaching Volvo to suggest the partnership. Volvo GM Heavy Truck became a legal entity in December 1986, but did not become operational until the start of this year because all of 1987 was used for behind-the-scenes rationalisation.

This has entailed a traumatic period of transition for the former 350 General Motors and 209 Volvo White dealers who are being rationalised into a joint network of 220 dealers, plus 180 sub-dealers providing parts and service – a process still going on.

There was trauma during 1987 in sales terms, too. Volvo White's market share fell to 8.3 per cent and GM's to 5.6 per cent – their combined share of 13.9 per cent representing a drop of nearly 3 percentage points over the previous year.

Had Volvo and GM had their joint venture in 1986, they would have had a combined share of 16.5 per cent. Mr Oliphant attributes the drop to inability to produce enough trucks.

Many dealers were clearly embittered at being sacked, and Volvo GM has had to make financial provisions for a number of lawsuits by former dealers. For those remaining, however, truck sales per outlet last year were expected to be up sharply at more than 80 per outlet, compared with 21 per outlet previously for GM dealers and 57 for Volvo White dealers.

Sofigen moves to restore image as European spearhead

By William Dullforce in Geneva

THE confirmation yesterday by Société Financière de Genève (Sofigen) that it has built up a 4.9 per cent stake in De La Rue, the diversified UK banknote printing company, and its disclosure that together with local interests it is setting up a merchant bank in Austria have come at an opportune moment to silence its critics.

Recently Sofigen, which is Mr Carlo De Benedetti's Geneva-based investment arm, has come under fire in the Swiss financial press. It has been criticised by analysts for its apparent failure to exploit the constellation of business talent among its minority shareholders and to fulfil the Italian condottiere's earlier description of it as the group's spearhead into new European banking, industrial and services markets.

Purchase of the De La Rue stake and the launching of the bank in Vienna have been quietly effected by Sofigen after Mr De Benedetti's spectacular, unsuccessful battle to take control of Société Générale de Belgique in the first half of 1988.

Although they are much smaller in scale than that Titanic battle, these initiatives reflect the Italian's continuing pan-European ambitions. Mr Tony Kirk, the Zimbabwean whom Mr De Benedetti plucked from the Thyssen family corporate development operation to run Sofigen, says the banking venture in Vienna aims at "generating interesting investment opportunities" as the privatisation process started by the Austrian Government gathers pace.

Sofigen has two local partners, Zentralsparkasse, the country's biggest savings bank, and the Julius Meinl supermarket and banking group. Each is contributing 25 per cent of the capital, the remaining quarter being held by a management team led by Dr Ernst Lemberger, the former head of corporate development operations at the Montana industrial group. This first merchant banking operation in Austria not controlled by one of the big banks is in the process of obtaining a banking licence. The initial capitalisation will be at least Sch40m ($3.14m).

In the De Benedetti operations outside Italy, Sofigen complements three other investment arms. These are Cerus, the much larger French holding company managed by Mr Alain Minc; Corporacion Financiera Reunida (Cofir) in Spain and a company about to be formed in Portugal.

Sofigen's alloted sphere of activity is what Mr Kirk describes as the D-Mark bloc – West Germany, Switzerland and Austria – together with the Netherlands and the UK.

Mr Kirk acknowledges that Sofigen took a hiding on its initial investments during the market collapse in October 1987 and had to rethink its strategy, but he contends that the critics have been unaware of its recent moves and have underestimated Sofigen's role as the De Benedetti group's "probe" into new European markets.

Sofigen was initially a shell company acquired in 1986 by Mr De Benedetti's holding company, Cofide, on behalf of a group of institutional investors. It has a share capital of SFr300m ($198m) after new issues, including a public flotation, totalling SFr120m made in 1987. Mr De Benedetti supplied 23 per cent of the capital but the share structure – 240,000 bearer shares each of SFr1,000 nominal value and 60,000 registered shares of SFr100 nominal value, each with a vote – gives him effective control.

Swiss Bank Corporation holds 8 per cent of the share capital, 20 per cent is with private investors and the remaining 49 per cent is divided among several institutions. These include Lombard, Odier, a prestigious Geneva private bank, Compagnie de Banque et d'Investissements (CBI), another highly reputed Geneva private banking operation and S.G. Warburg Soditic. Sofigen has acquired crossholdings of 10 per cent of CBI and just under 2 per cent of S.G. Warburg, London.

Mr Kirk emphasises Sofigen's switch to a more "patient money" approach after the stock market crash of October 1987. "We try to identify values not so obvious to other investors," he says. Sofigen has not abandoned its "strategic bloc investing in companies where we expect to see change" or its appetite for special situations. Neither is Sofigen neglecting opportunities in the development capital field. An "exceptionally profitable" investment has been the stake of just under 12 per cent taken in Minibar (Schweiz), a private financial company which leases minibars and cosmetic bars to hotels.

Last year Sofigen posted net earnings of SFr4m and passed the dividend. It reported better earnings for the first half of 1988 without specifying figures and forecast that the improvement would continue through the second half.

Sofigen's critics are undoubtedly right that with such a cluster of minority shareholders Mr De Benedetti's Swiss holding company is a potent instrument for a man with pan-European ambitions. However, its real value remains to be demonstrated.

Valeo doubles net profits

THE French auto parts group Valeo SA disclosed yesterday that its consolidated net profit doubled to FFr880m ($142.86m) in 1988 from FFr440m a year earlier, according to preliminary figures, reports AP-DJ from Paris.

Valeo chairman Noel Goutard disclosed the provisional data at a shareholders' meeting. He said the earnings gain was based on a 33 per cent revenue jump to FFr16.4bn from FFr12.37bn in 1987. French analysts had expected strong earnings from Valeo for 1988 after recent expansion moves and brisk European auto demand last year. Definitive 1988 results are scheduled for release in late March.

Citic lifts HK tunnel stake

A MAINLAND Chinese state entity is to lift its stake in Hong Kong's second cross-harbour tunnel project to 23.75 per cent from 9.5 per cent, says Reuter in Hong Kong.

The local unit of China International Trust and Investment Corporation (Citic) said it had agreed in principle to buy the shares from Kumagai Gumi of Japan. The tunnel is one of Hong Kong's biggest infrastructure projects, with total investment put at HK$4bn (US$512.8m).

The Kumagai Gumi group currently holds 71.25 per cent.

● Mr Peter Tyrie, joint managing director of Hong Kong's Mandarin Oriental Hotels, will resign on June 30, AP-DJ adds.

Mr Tyrie's duties will be taken over by Mr Robert Riley, who joined Mandarin Oriental as joint managing director last August.

Co op sales rise 18%

CO OP, the troubled West German retailer, said preliminary estimates showed its 1988 group sales rose about 18 per cent to DM12.2bn ($6.78bn) from DM10.35bn in 1987, agencies report from Frankfurt.

In a letter quoted in a West German newspaper yesterday, Mr Gerhard Jacobi and Mr Albert Doettger, the new interim managers of West Germany's troubled retailer, said 1988 was a difficult year for the company "from the business point of view."

Co op's managing board was recently sacked by the controlling group of creditor banks amid allegations of poor management and overloading the company with short-term debt.

The bank group then appointed Mr Jacobi, a Co op supervisory board member, and Mr Doettger, who runs the Co op Industrieunit, to manage the company on a temporary basis.

INTERNATIONAL CAPITAL MARKETS

Canadian Imperial Bank to set up property unit

By David Owen in Toronto

CANADIAN IMPERIAL Bank of Commerce (CIBC), Canada's second largest chartered bank, is to set up a self-contained property unit to bring professional management to its C$500m (US$418.6m) portfolio of buildings and land.

The unit will be headed by Mr David Weinberg, a new recruit from Cadillac Fairview, the property development company bought last year by JMB Realty of Chicago. Further outside hiring is expected to follow.

The unit will initially employ 45 to 50 people.

According to Mr Iain Ronald, president of CIBC's administrative bank, the unit's responsibilities will be to ensure that existing bank-owned property is put "to its highest and best use" and that new space needs are thoroughly evaluated.

"Like most banks we have not had the degree of real estate expertise that we should have done," Mr Ronald said.

In common with other leading Canadian banks, CIBC enjoyed a banner year in 1988, earning a record C$591m in the 12 months to October.

While the bank's return on assets remained below that of its principal competitors, net non-performing loans have fallen to 1.5 per cent of total loans (against a peak of 4.5 per cent), and net exposure to less developed country debt has dropped to 27 per cent of common equity.

Sweden to extend bond sales

By Our Financial Staff

THE Swedish Government may soon decide to make a limited amount of kronor denominated bonds available to foreigners in the first half of 1989, in a gradual relaxation of its foreign exchange regulations.

Mr Jan Herin, chief economist at the Swedish Employers' Federation, said yesterday: "I imagine the debt office will sell SKr2bn to SKr3bn worth of bonds abroad this spring."

Sweden does not normally allow foreigners to buy kronor denominated paper, but there has been strong market speculation that the Government will soon move to ease this limitation. The 1989-90 issue is to be presented today.

The Government has already stated its intention of removing all foreign exchange regulations by 1991.

The chief dealer at one bank said: "Making a limited amount of paper available to foreigners would be a good way to test the market."

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
World Bank◆	500	9⅝	101⅜	1999	2/1⅜	Deutsche Bank Cap. Mkts
Nitto Boseki⊕	200	(4⅝)	100	1993	2¼/1½	Daiwa Europe
CANADIAN DOLLARS						
Hydro-Quebec◆	500	11	101⅛	1999	2/1⅜	Merrill Lynch Cap. Mkts
Ford Motor Credit◆	150	11⅛	101.35	1992	1⅜/⅞	ScotiaMcLeod
Toronto-Dominion Bk(a)◆	65	11	100.80	1992	1⅜/1¼	UBS (Secs)
STERLING						
Abbey National B/S(b)◆	100	11⅝	101⅝	1995	1⅞/1¼	J.P. Morgan Secs.
D-MARKS						
Oest. Kontrollbank◆	200	5½	100¾	1994	2/1¼	Deutche Bank
National Bank of Hungary◆	200	6⅝	100	1996	2¼/1½	Bayerische Vereinsbank
SWISS FRANCS						
State Bk N.Sth Wales★★◆	150	4¾	100¼	1996	n/a	UBS

⊕With equity warrants. ★★Private placement. ◆Final terms. a) Fungibl e with recent C$100m issue. b) Put option 1/2/93 at 100.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on January 9

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7½ 92	200	†93	93½	+0¼	-0⅛	10.12
A/S Eksportfinans 7¼ 92	150	92⅝	93⅛	-0⅛	-0½	10.08
B.F.C.E. 7 92	150	92⅛	92½	+0⅛	-0¼	9.90
Brit. Tel. Fin. 9⅜ 98	250	97⅜	97⅞	+0⅛	-0⅛	9.75
Canada 9 96	1000	97	97½	-0¼	-0⅛	9.54
Canadian Pac 10¼ 93	100	†101	102	-0½	-0½	10.27
C.C.C.E 9¼ 95	300	97¼	97¾	+0⅛	-0⅞	9.80
C.N.C.A 9⅞ 93	150	98⅛	98½	-0⅛	-0⅞	6.78
Credit Lyonnais 9 91	200	†98⅛	98⅝	-0⅛	-0⅛	9.85
Credit National 8¼ 93	200	94⅛	94⅝	-0⅛	-0⅝	9.90
Credit National 7⅞ 92	100	93	93½	+0⅛	-0⅜	9.85
Credit National 7¾ 91	150	†93	93½	-0¼	-0⅝	10.01
Dai-Ichi Kan 9⅝ 92	150	99	99⅜	-0⅛	-0⅝	9.89
Denmark 7⅛ 92	500	92⅛	92⅝	-0⅛	0	10.05
E.E.C. 7 91	100	93	93½	0	-0⅛	9.77
E.E.C. 7¼ 93	250	91½	91⅞	+0⅛	0	9.79
E.E.C. 8 90	350	†97⅛	97⅝	+0⅛	+0⅛	9.84
E.I.B. 7⅝ 93	100	91⅞	92⅜	+0⅛	-0⅛	9.74
E.I.B. 9¾ 97	250	[illegible]	98⅞	[illegible]	[illegible]	9.69
Elec. De France 9 98	200	95½	95⅞	+0⅛	-0⅛	9.73
Finland 7⅞ 97	200	89¼	89⅝	0	-0⅛	9.84
Finland 7½ 95	200	91¼	91½	+0⅛	-0⅛	9.92
Fins.Exp.Cd. 8½ 92	200	95⅝	96⅛	-0⅛	-0¼	9.96
Ford Motor Credit 8 91	250	†95⅝	96⅛	0	-0¼	10.09
Gen.Elec.Cap.Corp. 9 93	500	96½	97	+0⅛	-0¼	9.86
Gen Elec Credit 10⅛ 00	200	99⅞	100⅜	0	-0⅛	10.21
Gen.Mtrs.Corp. 9⅛ 92	200	98	98⅜	+0⅛	-0¼	9.74
Halifax BS 9½ 93	200	†97⅞	98⅜	+0¼	-0¼	10.01
IBM Credit Corp. 8⅞ 91	250	98	98⅜	+0⅛	-0⅛	9.64
Italy 9 90	1000	†98¾	99¼	0	-0¼	9.60
Italy 9½ 95	1000	98¼	98¾	+0⅛	-0½	9.80
L.T.C.B of Japan 8 91	100	95⅝	96	0	-0⅜	9.96
L.T.C.B. of Japan 8 97	200	89⅛	89⅝	+0¼	-0⅛	9.98
Metropolis Tokyo 9½ 93	200	99½	100	+0⅛	-0⅛	9.58
Morgan Guaranty Tst. 7 90	150	†96⅜	96⅞	-0¼	-0½	10.15
Nippon Tel.&Tel. 9⅞ 98	250	97⅞	98⅛	+0⅜	+0⅛	9.71
Norway 8⅜ 93	500	96⅛	96⅝	0	-0¼	9.76
Portugal 8⅜ 91	300	†97	97½	0	0	9.67
Prudential Crp. 8⅜ 94	125	96½	97	+0¼	-0⅛	9.51
Qantas Airways 10¼ 95	140	102⅛	102½	+0⅛	0	9.86
Saskatchewan 10¼ 92	100	102⅛	102⅝	+0¼	0	9.81
State Bk S Aust 9¼ 93	100	97⅛	97⅝	+0⅛	-0⅛	9.97
Sumitomo Bank 9⅛ 92	150	99	99⅜	-0⅛	-0⅛	9.89
Swed Exp Cred 7¼ 91	100	†93⅛	93⅞	-0⅛	-0¼	9.85
Sweden 7 91	250	†93¼	93¾	0	+0⅛	9.79
Sweden 7 92	250	†92⅛	92⅞	0	-0⅛	9.87
Sweden 8⅜ 96	200	94⅞	95⅜	+0⅛	-0⅜	9.73
Sweden 8½ 92	200	†96¼	96⅝	0	-1⅛	9.66
Victorian Rep 11⅛ 92	150	104¼	104⅝	+0⅛	-0¼	9.92
World Bank 7 92	300	†92½	93	-0¼	-0⅛	9.86
World Bank 9 97	300	96⅛	96⅝	+0⅛	-0¼	9.62
World Bank 9¼ 98	300	97⅛	97⅝	+0⅛	+0⅛	9.67
Yasuda Trust Fin 8½ 93	100	†94½	95	+0⅛	-0⅛	9.99

Average price change... On day +0 on week -0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. BK. 6 94	200	101⅝	102⅛	-0¼	-0⅛	5.62
Avis Fin.SVS 5⅞ 92	100	100	100½	-0⅛	-0⅛	5.78
Bank of Tokyo 5⅝ 93	100	101	101½	-0⅛	+0⅛	5.40
Central BK. Turkey 7 92	200	103½	104	-0½	-0½	5.84
Commerzbank o/s. 5⅜ 93	300	99⅝	100⅛	-0⅞	-0⅛	5.41
Degussa Int. 6⅛ 97	200	101	101⅜	-0⅛	-0⅜	5.95
E.I.B 5½ 98	150	95½	96	0	-0⅛	6.11
E.I.B 6 97	300	98⅞	99⅜	-0⅛	-0⅛	6.14
E.I.B. 6⅛ 96	300	99⅝	100⅛	-0⅛	-0⅛	6.12
E.I.B. 6⅛ 97	400	99⅝	100⅛	-0⅛	-0⅛	6.14
E.I.B. 6⅞ 95	300	104	104½	0	-0⅜	6.09
Euro.Coal& Steel 5⅞ 97	175	98	98½	0	-0⅛	6.15
Eurofima 6¼ 96	100	102⅛	102⅝	-0⅛	-1⅜	5.82
Elec De France 5⅝ 97	300	97⅝	98⅛	-0⅛	-0⅛	6.05
Forsmark Krtg. 5⅛ 93	200	98	98½	-0⅛	-0¼	5.61
I.A.D.B. 6 97	200	98⅞	99⅛	-0⅛	-0⅛	6.17
Japan Dev. Bk. 5⅜ 95	300	†98⅞	99⅜	+0⅛	-0⅛	5.54
Japan Finance 5⅜ 97	100	97½	98	+0⅛	+0⅛	6.11
Ireland 6½ 97	300	100⅞	101⅜	-0⅛	-0¼	6.31
Malaysia 6⅛ 94	150	99⅝	100⅛	-0⅛	-0¼	6.24
Nat. West BK. PLC 6 98	300	†97⅜	97⅞	0	-0⅛	6.34
N.H.L. Finance 6¼ 95	200	†99⅞	100⅛	0	-0⅛	6.25
Nippon Telg.&Tel. 6 95	400	†102⅛	102⅝	0	-0⅛	5.94
Oesters. Kontbk. 5 93	300	98⅜	98⅞	-0⅛	-0⅜	5.38
Portugal 5⅜ 92	150	100½	101	-0⅛	-0⅛	5.50
Portugal 6⅝ 95	150	101⅞	102⅜	0	-0⅜	6.21
Privatbanken 5¼ 93	150	97½	98	0	-0⅛	5.87
Royal Insurance 5½ 92	300	100	100½	0	-0⅜	5.40
Soc Cent Nuclear 7¼ 95	150	104	104½	-0⅛	-0½	6.42
Turkey 6½ 95	500	†97⅜	97⅞	-0⅛	+0⅛	6.97
Westlb. Finance 5 93	200	†99	99	0	-0⅛	5.27
World Bk. 6⅛ 97	600	100	100½	-0⅛	-0⅜	6.18

Average price change... On day -0⅛ on week -0⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev.Bk. 5 96	150	†100⅜	101⅛	-0⅛	+0⅛	4.83
Asfinag 5 03	100	†100	100½	-0⅛	+0⅛	4.97
B.F.C.E. 4½ 98	200	†98⅛	99	0	+0⅛	4.66
B.M.W.Fin.Neth. 5 13	150	†95½	96½	+0⅛	-0½	5.29
Britannia B/S. 4¾ 94	100	†96¼	97	-0⅛	-0⅝	4.97
CIR. Int. W/W 3 93	125	†96	97	-0⅛	+1	3.85
Credit Lyonnais 4⅞ 00	100	†97	97¼	0	0	5.09
E.I.B 4⅝ 98	150	†98⅜	99½	-0⅛	-0⅛	4.74
Fletcher Chall. 4⅞ 98	150	†96	97	-0⅛	-0¼	5.36
Kobe City 4⅝ 98	150	†97⅜	98½	-0⅛	0	4.87
Leeds Perm. B/S. 4⅛ 93	200	†96⅜	97½	-0⅛	-0⅛	4.88
Malaysia 5¼ 98	100	†98½	99	0	0	5.42
Maxwell Comm.Crp. 5 95	150	†100	100¼	-0⅛	-0⅜	4.93
Nat. Bk. Hungary 5½ 94	75	†98	98½	0	-0⅛	5.86
Nationwide Ang.B/S. 4 93	200	†96	96½	0	0	4.96
Nippon Telg.&Tel.4⅛ 95	200	†98½	98¾	0	0	4.49
Oesters.Ktbk. 5 03	75	†101⅛	102	+0⅛	+1	4.81
Prov. Newfoundland 5 03	150	†100⅜	101	-0⅛	+0⅛	4.92
Thailand 4⅝ 95	200	†95¼	95¾	-0½	-0⅜	5.46
World Bank 5 03	150	†99⅜	99⅞	-0⅛	-0⅛	5.03

Average price change... On day -0⅛ on week -0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Belgium 5⅛ 92	55	101⅞	102	0	-0½	4.84
Belgium 4⅝ 94	45	98	98¼	-0¼	-0½	5.02
Canada 4⅞ 92	80	98½	99⅛	+0¼	-0⅜	4.73
Elec. De France 5⅛ 94	20	100⅞	101⅛	+0⅛	-0¼	4.90
Ireland 5⅛ 93	30	100⅜	100⅞	+0⅜	+0⅛	4.95
Norway 5⅛ 95	50	100⅞	101⅛	+0¼	-0¼	4.93
Rep. of Italy 5⅜ 92	150	102⅛	103	0	-0⅜	4.73
Sweden 4⅝ 93	50	98⅞	99⅛	0	-0½	4.88
World Bank 5½ 92	50	102⅜	102⅝	0	-0⅝	4.74

Average price change... On day +0⅛ on week -0½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey Nat. BS. 10⅛ 93 £	50	†97⅞	98⅛	+0⅛	-0½	10.87
Alg. Bk. Ned. 5½ 92 FL	150	98⅞	99⅜	-0⅛	0	5.81
Alg. Bk. Ned. 5⅜ 93 FL	200	98½	99	+0⅛	-0⅛	6.09
Amro Bank 6⅛ 92 FL	150	100⅞	101½	-0⅜	-0½	5.88
Aust. Ind. Dev. 12⅞ 93 A$	100	94⅝	95⅛	+0¼	-1⅜	14.39
Austria 7½ 94 ECU	100	97	97½	—	—	8.16
Barc. Bk. 10⅛ 97 £	250	95	95½	+0⅛	-0¼	11.11
Barclays Aus. 13½ 91 A$	100	99⅛	99½	0	-0⅜	13.77
BP Capital 9⅞ 93 £	100	95	95½	+0¼	-0⅜	11.18
British Airways 10 98 £	100	91⅞	92⅜	+0⅜	-0¼	11.42
Buhrmann-Tet. 6⅜ 93 FL	100	100¼	100⅝	-0⅛	0	6.23
Comm. Bk. Aust. 12⅝ 93 A$	100	96⅛	96⅝	+0⅜	-0¼	13.51
Coop. Ctr. Rabo. 6¼ 93 FL	100	99⅞	100⅜	-0¼	-0¼	6.21
Coop. Ctr. Rabo. 6 92 FL	200	100¼	100⅝	-0⅛	+0⅛	5.82
Denmark 7⅞ 92 ECU	100	†100	100½	-0½	-0½	7.65
Dixons 11 95 £	90	†95⅞	96⅜	+0⅝	-0¼	11.77
Dent. Bk. Aust. 12¾ 95 A$	70	98¼	99⅜	-0⅜	-1⅛	12.97
Eastman Kodak 13 90 A$	100	96⅛	96⅝	0	-0⅝	15.53
E.I.B. 7 96 LFr	100	*98½	98½	0	0	7.28
Elec. France 10¼ 95 C$	125	†98⅝	99⅛	0	-0⅜	10.47
Euratom 7⅞ 97 ECU	145	94½	95	-0⅛	-0⅜	8.26
Fed. Bus. Dv. Bk. 9⅞ 92 C$	75	†97	97½	0	-0¼	10.71
Ford Cr. Can. 10¼ 93 C$	100	†99⅞	100⅛	0	-0¼	10.73
Ford Mtr. Cred. 7½ 91 ECU	100	98⅝	99⅛	—	—	7.94
Gillette Can. 9⅝ 93 £	70	92⅜	93	+0½	+0⅛	11.75
G.M.A.C. 9¾ 93 C$	150	†96⅛	96⅝	0	-0⅛	10.81
G.M.A.C Aus. Fin. 14 90 A$	50	100⅛	100⅜	-0⅛	-0¼	13.44
Halifax BS 10⅞ 97 £	100	95⅜	95⅞	+0⅜	0	11.23
Imp Chem Inds 10 03 £	100	†92¼	92¾	+0⅛	-1	11.05
Inv. Industry Int. 10 93 £	60	†95⅛	95⅝	+0⅛	-0⅝	11.40
Lloyds Bank 10⅛ 98 £	150	93⅛	93⅝	+0¼	-0⅜	11.44
Lloyds Bank 11⅜ 98 £	100	98⅜	98⅞	+0¼	-0⅛	11.61
Montreal Tst. 10⅜ 93 C$	100	†99⅛	99⅝	0	-0⅛	10.89
Nat. West. Bk. 13⅛ 92 A$	50	†98⅞	99⅛	-0¼	-0⅝	13.44
Nationwide BS 10⅛ 93 £	75	95⅜	95⅞	+0¼	-0½	11.46
Neth. Midd. Bank 6 92 FL	150	99⅞	100⅜	-0¼	-0⅛	5.94
New Zealand 9½ 93 £	100	94⅛	94⅝	+0⅜	0	11.18
New Zealand 7⅜ 93 ECU	200	99½	100⅛	-0½	—	7.81
Oesters. Ktbk. 13⅜ 94 A$	75	†101⅛	101⅜	-0⅜	+0⅜	13.18
Philips Gloeil. 6 93 FL	300	98⅝	99⅛	-0¼	-0⅜	6.28
Prudential Fin. 9⅞ 07 £	150	87⅜	88⅛	+0⅜	-0¼	10.90
Royal Bk. Scot. 10⅝ 98 £	125	94⅝	95⅛	+0¼	-0½	11.59
Saskatchewan 9⅞ 91 C$	150	†97⅞	98⅛	0	-0¼	10.76
Saskatchewan 10¼ 93	200	97½	98⅛	0	-1	10.85
S.D.R. 7¾ 95 ECU	90	98	98½	-0½	-1	8.11
Union Bk. Switz. 7½ 93	150	†100½	101	0	-0½	7.31
World Bank 5⅞ 92 FL	100	98¼	99⅛	-0¼	-0¼	6.09
World Bank 13⅜ 92 A$	100	†99½	100	-0½	-0⅜	13.39
Zentrspk. 13¼ 93 A$	75	98⅜	98⅞	0	-0⅜	13.61

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alliance & Leic. 8ld 94 £	.08	99.86	99.91	21/01	10.99
Belgium 91 US$	0	100.18	100.28	21/02	9
Britannia 5 93 £	0⅛	100.01	100.06	10/01	12.12
Chase Manhattan Crp. 91 US$	0⅛	99.53	99.70	22/02	8.94
Citicorp 98 US$	†0¼	98.00	98.25	28/02	9.62
Credit Foncier 98 US$	.063	99.65	99.75	20/04	8.44
EEC 3 92 DM	†0	100.85	100.95	22/02	5.63
Halifax BS 94 £	.1	100.03	100.08	8/02	12.29
Invt. in Industry 94 £	0	99.53	99.62	24/02	11.87
Leeds Perm. B/S. 94 £	0⅛	100.07	100.12	13/01	10.44
Midland Bank 01 £	.1	96.25	97.25	11/02	11.41
Milk Mkt. Brd. 5 93 £	0⅛	100.05	100.10	30/12	12.06
New Zealand 5 97 £	.07	100.18	100.28	20/02	12.16
State Bk. New. 98 US$	.188	100.37	100.47	13/02	8.87
Woolwich Equit. BS. 93 £	0⅛	99.96	100.01	13/01	12.12
Woolwich 5 95 £	0⅛	99.95	100.00	21/02	12.37

Average price change... On day -0.10 on week +0.07

CONVERTIBLE BONDS	Cnv. date	Cnv price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02 US	8/87	62.	107	108	-0⅛	15.65
Amer. Brands 7¾ 02 US	†9/87	56.7	115	116	+0⅞	2.33
Ashikaga Bank 2⅛ 02 US	4/87	967.	154⅜	155⅝	+0½	5.85
Asics 5 92 DM	12/83	472.7	214⅞	215⅜	+0⅛	6.94
CBS. Inc. 5 02 US	4/87	200.	93⅛	94⅛	+0½	9.42
Comm. Credit 5½ 02 US	4/87	66.75	64⅛	65⅛	0	54.06
Eng. China Clay 6½ 03 £	9/88	4.8	99⅝	100⅛	+0½	3.77
Fujitsu 3 99 US	5/84	1106.	247⅞	248⅞	+1⅛	0.18
Land Secs. 6⅜ 02 £	6/87	6.72	90⅝	91⅝	+0⅜	12.98
MCA Inc 5½ 02 US	9/87	69.62	85	86	+1⅛	21.49
Minolta Camera 2¼ 94 DM	2/86	1004.	99⅝	100⅝	+1⅛	19.59
Mitsubishi Bk. 1⅞ 02 US	9/87	3157.	136⅞	138⅝	+0⅛	5.72
Mitsui Trust 2⅞ 01 US	10/86	1903.	148	149⅛	+4⅜	8.25
Next Plc 5⅛ 03 £	11/87	4.3	97⅜	98⅜	0	208.38
[illegible] Nipp. Bk. 2⅞ 03 US	4/88	804.	126⅞	128	+1	12.05
[illegible] 2⅝ 02 US	4/87	1316.	213⅛	214⅛	+1½	-0.18
Ranks Hovis 4⅞ 03 £	1/88	3.5	110⅛	111⅛	-0⅛	8.88
Redland 7⅛ 02 £	1/87	5.4	89⅛	90⅛	+0⅛	14.85
[illegible] 6⅛ 03 £	†10/89	4.41	95⅛	96⅛	+0⅛	24.11
Texas Inst. 2¾ 02 US	9/87	82.87	74⅛	75⅛	0	48.88
W.R. Grace 6¾ 02 US	9/87	42.12	83	84	+1⅛	30.28

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡three-month; §above mean rate) for US dollars. C.cpn = The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv date = First date of conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Data supplied by DATASTREAM International.

The prices over the past week were supplied by: Kredietbank N.V.; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Bank Generale du Luxembourg SA; Bank Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring & Pierson; Credit Suisse Bank; Bank of Tokyo International; Chemical Bank International; Chase Manhattan; Citicorp International Bank; Daiwa Europe NV; Credit Commercial de France (Securities); LTCB International; Robert Flemming & Co; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Merrill Lynch; Morgan Stanley International; Nikko Securities Company (Europe); Nomura International; Samuel Montagu & Co.; Societe Generale Strauss Turnbull; Swiss Bank Corporation International; S.G. Warburg and Co.; Wood Gundy

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday 9 January, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY	£ STG	US $	D-MARK	YEN (X 100)
Afghanistan (Afghani)	99.25	56.2801	30.7990	44.5067
Albania (Lek)	9.9311	5.6314	3.0817	4.4534
Algeria (Dinar)	11.2254	6.3654	3.4834	5.0338
Andorra (Fr Fr) (Sp Peseta)	10.9875 201.95	6.2305 114.5165	3.4096 62.6687	4.9271 90.5605
Angola (Kwanza)	54.7735	31.0595	16.9972	24.5621
Antigua (E Carr $)	4.77	2.7048	1.4802	2.1390
Argentina (Austral)	29.4465	16.6977	9.1377	13.2047
Aruba (Florin)	3.1594	1.7915	0.9804	1.4167
Australia (Aus $)	2.0488	1.1617	0.6357	0.9187
Austria (Schilling)	22.655	12.8466	7.0302	10.1591
Azores (Port Escudo)	263.30	149.3053	81.7067	118.0717
Bahamas (Bahama $)	1.7635	1	0.5472	0.7908
Bahrain (Dinar)	0.6705	0.3802	0.2080	0.3006
Balearic Is (Sp Peseta)	201.95	114.5165	62.6687	90.5605
Bangladesh (Taka)	55.20	31.3013	17.1295	24.7533
Barbados (Barb $)	3.5499	2.0129	1.1015	1.5918
Belgium (Belg Fr)	67.55c 67.90g	38.3045 38.5029	20.9619 21.0705	30.2914 30.4484
Belize (B $)	3.5300	2.0017	1.0954	1.5829
Benin (CFA Fr)	549.375	311.5253	170.4809	246.3565
Bermuda (Bermudian $)	1.7635	1	0.5472	0.7908
Bhutan (Ngultrum)	26.50	15.0269	8.2234	11.8834
Bolivia (Boliviano)	4.5361	2.5722	1.4076	2.0341
Botswana (Pula)	3.4550	1.9591	1.0721	1.5493
Brazil (Cruzado)	1429.725	810.7314	443.6695	641.1322
British Virgin Is (US $)	1.7635	1	0.5472	0.7908
Brunei (Brunei $)	3.4340	1.9472	1.0656	1.5399
Bulgaria (Lev)	1.4956	0.8480	0.4641	0.6706
Burkina Faso (CFA Fr)	549.375	311.5253	170.4809	246.3565
Burma (Kyat)	11.3269	6.4229	3.5149	5.0793
Burundi (Burundi Fr)	270.8053	153.5612	84.0357	121.4373
Cameroon (CFA Fr)	549.375	311.5253	170.4809	246.3565
Canada (Canadian $)	2.1125	1.1979	0.6555	0.9473
Canary Is (Sp Peseta)	201.95	114.5165	62.6687	90.5605
Cp. Verde Is (CV Escudo)	129.9042	73.6627	40.3116	58.2530
Cayman Is (CI $)	1.4650	0.8307	0.4546	0.6569
Cent.Afr. Rep (CFA Fr)	549.375	311.5253	170.4809	246.3565
Chad (CFA Fr)	549.375	311.5253	170.4809	246.3565
Chile (Chilean Peso)	443.41	251.4374	137.5981	198.8385
China (Renminbi Yuan)	6.6755	3.7853	2.0715	2.9934
Colombia (Col Peso)	598.20	339.2117	185.6322	268.2511
Comoro Is (CFA Fr)	549.375	311.5253	170.4809	246.3565
Congo (Brazz) (CFA Fr)	549.375	311.5253	170.4809	246.3565
Costa Rica (Colon)	140.3175	79.5676	43.5430	62.9226
Cuba (Cuban Peso)	1.3442	0.7622	0.4171	0.6027
Cyprus (Cyprus £)	0.8320	0.4717	0.2581	0.3730
Czechoslovakia (Koruna)	9.50c 16.931 16.23t	5.3870 9.6002 9.2032	2.9480 5.2536 5.0364	4.2600 7.5919 7.2780
Denmark (Danish Kroner)	12.4450	7.0569	3.8619	5.5807
Djibouti Rep (Djib Fr)	312.00	176.9208	96.8192	139.9103
Dominica (E Carrib $)	4.77	2.7048	1.4802	2.1390
Dominican Rep (D Peso)	11.2078	6.3554	3.4779	5.0259
Ecuador (Sucre)	731.10o 912.66a	414.5792 517.5276	226.8735 283.2148	327.8475 409.2645
Egypt (Egyptian £)	4.1640	2.3612	1.2921	1.8672
El Salvador (Colon)	8.8350	5.0099	2.7416	3.9618
Equat'l Guinea (CFA Fr)	549.375	311.5253	170.4809	246.3565
Ethiopia (Ethiopian Birr)	3.6199	2.0526	1.1233	1.6232
Falkland Is (Falk £)	1.00	0.5670	0.3103	0.4484
Faroe Is (Danish Kroner)	12.4450	7.0569	3.8619	5.5807
Fiji Is (Fiji $)	2.4648	1.3976	0.7648	1.1052
Finland (Markka)	7.4925	4.2486	2.3250	3.3598
France (Fr)	10.9875	6.2305	3.4096	4.9271
Fr. Cty/Africa (CFA Fr)	549.375	311.5253	170.4809	246.3565
Fr. Guiana (Local Fr)	10.9875	6.2305	3.4096	4.9271
Fr. Pacific Is (CFP Fr)	198.00	112.2767	61.4429	88.7892
Gabon (CFA Fr)	549.375	311.5253	170.4809	246.3565
Gambia (Dalasi)	11.8785	6.7357	3.6861	5.3266
Germany East (Ostmark)	3.2225	1.8273	1	1.4450
Germany West (DMark)	3.2225	1.8273	1	1.4450
Ghana (Cedi)	407.9050	231.3042	126.5802	182.9170
Gibraltar (Gib £)	1.00	0.5670	0.3103	0.4484
Greece (Drachma)	268.55	152.2823	83.3359	120.4260

COUNTRY	£ STG	US $	D-MARK	YEN (X 100)
Greenland (Danish Krone)	12.4450	7.0569	3.8619	5.5807
Grenada (E Carr $)	4.77	2.7048	1.4802	2.1390
Guadaloupe (Local Fr)	10.9875	6.2305	3.4096	4.9271
Guam (US $)	1.7635	1	0.5472	0.7908
Guatemala (Quetzal)	- 4.8239	2.7354	1.4969	2.1631
Guinea (Fr)	529.50	300.2551	164.3134	237.4439
Guinea-Bissau (Peso)	1147.25	650.5528	356.0124	514.4618
Guyana (Guyanese $)	15.8760	9.0025	4.9266	7.1192
Haiti (Gourde)	8.8250	5.0042	2.7385	3.9573
Honduras (Lempira)	3.5340	2.0039	1.0966	1.5847
Hong Kong (HK $)	13.8080	7.8298	4.2848	6.1919
Hungary (Forint)	95.3450	54.0657	29.5872	42.7556
Iceland (Icelandic Krona)	87.30	49.5038	27.0907	39.1479
India (Indian Rupee)	26.50	15.0269	8.2234	11.8834
Indonesia (Rupiah)	3098.00	1756.7337	961.3653	1389.2376
Iran (Rial)	124.20	70.4281	38.5415	55.6950
Iraq (Iraqi Dinar)	0.5526	0.3133	0.1714	0.2478
Irish Rep (Punt)	1.2050	0.6833	0.3739	0.5403
Israel (Shekel)	3.2250	1.8287	1	1.4461
Italy (Lira)	2363.50	1340.2324	733.4367	1059.8654
Ivory Coast (CFA Fr)	549.375	311.5253	170.4809	246.3565
Jamaica (Jamaican $)	9.5256	5.4015	2.9559	4.2715
Japan (Yen)	223.00	126.4530	69.2009	100
Jordan (Jordanian Dinar)	0.8605	0.4879	0.2670	0.3858
Kampuchea (Riel)	176.35	100	54.7245	79.0807
Kenya (Kenya Shilling)	32.70	18.5426	10.1474	14.6636
Kiribati (Australian $)	2.0488	1.1617	0.6357	0.9187
Korea North (Won)	1.7121	0.9708	0.5312	0.7677
Korea South (Won)	1219.40	691.4658	378.4018	546.8161
Kuwait (Kuwaiti Dinar)	0.50095	0.2840	0.1554	0.2246
Laos (New Kip)	758.95	430.3657	235.5159	340.3363
Lebanon (Lebanese £)	955.26	541.6841	296.4344	428.3677
Lesotho (Maluti)	4.2263	2.3965	1.3114	1.8952
Liberia (Liberian $)	1.7635	1	0.5472	0.7908
Libya (Libyan Dinar)	0.5069	0.2874	0.1573	0.2273
Liechtenstein (Swiss Fr)	2.7450	1.5565	0.8518	1.2309
Luxembourg (Lux Fr)	67.55	38.3045	20.9619	30.2914
Macao (Pataca)	14.1971	8.0505	4.4056	6.3664
Madeira (Port Escudo)	263.30	149.3053	81.7067	118.0717
Malagasy Rep (MG Fr)	2510.172	1423.4034	778.9517	1125.6376
Malawi (Kwacha)	4.6075	2.6127	1.4297	2.0661
Malaysia (Ringgit)	4.8353	2.7418	1.5004	2.1682
Maldive Is (Rufiya)	15.3732	8.7174	4.7705	6.8938
Mali Rep (CFA Fr)	549.375	311.5253	170.4809	246.3565
Malta (Maltese £)	0.5911	0.3351	0.1834	0.2650
Martinique (Local Fr)	10.9875	6.2305	3.4096	4.9271
Mauritania (Ouguiya)	132.375	75.0637	41.0783	59.3609
Mauritius (Maur Rupee)	24.6078	13.9539	7.6362	11.0348
Mexico (Mexican Peso)	4045.80a 3994.19d	2294.1876 2264.9220	1255.4848 1239.4695	1814.2600 1791.1165
Miquelon (Local Fr)	10.9875	6.2305	3.4096	4.9271
Monaco (French Fr)	10.9875	6.2305	3.4096	4.9271
Mongolia (Tugrik)	5.9225	3.3583	1.8378	2.6558
Montserrat (E Carr $)	4.77	2.7048	1.4802	2.1390
Morocco (Dirham)	14.55	8.2506	4.5151	6.5246
Mozambique (Metical)	1149.81	652.0045	356.8068	515.6098
Namibia (S A Rand)	4.2263	2.3965	1.3114	1.8952
Nauru Is (Australian $)	2.0488	1.1617	0.6357	0.9187
Nepal (Nepalese Rupee)	42.3600	24.0204	13.1450	18.9956
Netherlands (Guilder)	3.6400	2.0640	1.1295	1.6322
N'nd Antilles (A/Guilder)	3.1594	1.7915	0.9804	1.4167
New Zealand (NZ $)	2.7853	1.5794	0.8643	1.2490
Nicaragua‡ (Cordoba)	1625.64	921.8259	504.4654	728.9865
Niger Rep (CFA Fr)	549.375	311.5253	170.4809	246.3565
Nigeria (Naira)	9.3545	5.3045	2.9028	4.1948
Norway (Nor. Krone)	11.7700	6.6742	3.6524	5.2780
Oman (Rial Omani)	0.6840	0.3878	0.2122	0.3067
Pakistan (Pak. Rupee)	32.80	18.5993	10.1784	14.7085
Panama (Balboa)	1.7635	1	0.5472	0.7908
Papua New Guinea (Kina)	1.4577	0.8265	0.4523	0.6536
Paraguay (Guarani)	565.44o 1820.00a	320.6351 1032.0385	175.4662 564.7788	253.5605 816.1434

COUNTRY	£ STG	US $	D-MARK	YEN (X 100)
Peru (Inti)	882.50o 3472.16a	500.4252 1968.9027	273.8557 1077.4740	395.7399 1557.0224
Philippines (Peso)	36.30	20.5840	11.2645	16.2780
Pitcairn Is (£ Sterling) (NZ $)	1.00 2.7853	0.5670 1.5794	0.3103 0.8643	0.4484 1.2490
Poland (Zloty)	915.44	519.1040	284.0775	410.5112
Portugal (Escudo)	263.30	149.3053	81.7067	118.0717
Puerto Rico (US $)	1.7635	1	0.5472	0.7908
Qatar (Riyal)	6.4680	3.6677	2.0071	2.9004
Reunion Is. de la (F/Fr)	10.9875	6.2305	3.4096	4.9271
Romania (Leu)	14.781	8.3810	4.5865	6.6278
Rwanda (Fr)	135.1544	76.6398	41.9408	60.6073
St Christopher (E Carr $)	4.77	2.7048	1.4802	2.1390
St Helena (£)	1.00	0.5670	0.3103	0.4484
St Lucia (E Carr $)	4.77	2.7048	1.4802	2.1390
St Pierre (French Fr)	10.9875	6.2305	3.4096	4.9271
St Vincent (E Carr $)	4.77	2.7048	1.4802	2.1390
San Marino (Italian Lira)	2363.50	1340.2324	733.4367	1059.8654
Sao Tome (Dobra)	179.5309	101.8037	55.7116	80.5071
Saudi Arabia (Riyal)	6.6300	3.7595	2.0574	2.9730
Senegal (CFA Fr)	549.375	311.5253	170.4809	246.3565
Seychelles (Rupee)	9.4500	5.3586	2.9325	4.2376
Sierra Leone (Leone)	55.2680	31.3399	17.1506	24.7838
Singapore ($)	3.4340	1.9472	1.0656	1.5399
Solomon Is ($)	3.7257	2.1126	1.1561	1.6707
Somali Rep (Shilling)	430.66	244.2075	133.6415	193.1210
South Africa (Rand)	4.2263c 7.0758g	2.3965 4.0123	1.3114 2.1957	1.8952 3.1730
Spain (Peseta)	201.95	114.5165	62.6687	90.5605
Spanish Ports in N Africa (Sp Peseta)	201.95	114.5165	62.6687	90.5605
Sri Lanka (Rupee)	58.00	32.8891	17.9984	26.0089
Sudan Rep (£)	7.9425	4.5038	2.4647	3.5616
Surinam (Guilder)	3.1505	1.7865	0.9776	1.4127
Swaziland (Lilangeni)	4.2263	2.3965	1.3114	1.8952
Sweden (Krona)	11.0300	6.2546	3.4228	4.9461
Switzerland (Fr)	2.7450	1.5565	0.8518	1.2309
Syria (£)	37.0650	21.0178	11.5019	16.6210
Taiwan ($)	49.975	28.3385	15.5081	22.4103
Tanzania (Shilling)	224.10	127.0768	69.5422	100.4932
Thailand (Baht)	44.00	24.9503	13.6539	19.7309
Togo Rep (CFA Fr)	549.375	311.5253	170.4809	246.3565
Tonga Is (Pa Anga)	2.0488	1.1617	0.6357	0.9187
Trinidad/Tobago ($)	7.5013	4.2536	2.3277	3.3638
Tunisia (Dinar)	1.6268	0.9224	0.5048	0.7295
Turkey (Lira)	3294.68	1868.2619	1022.3987	1477.4349
Turks & Caicos (US $)	1.7635	1	0.5472	0.7908
Tuvalu (Australian $)	2.0488	1.1617	0.6357	0.9187
Uganda (New Shilling)	292.6723	165.9610	90.8215	131.2431
U A E (Dirham)	6.4940	3.6824	2.0152	2.9121
United Kingdom (£)	1.00	0.5670	0.3103	0.4484
United States (US $)	1.7635	1	0.5472	0.7908
Uruguay (Peso)	804.87	456.4048	249.7657	360.9282
USSR (Rouble)	1.0943	0.6205	0.3395	0.4907
Vanuatu (Vatu)	183.00	103.7709	56.7882	82.0627
Vatican (Lira)	2363.50	1340.2324	733.4367	1059.8654
Venezuela (Bolivar)	25.5925e 13.2375p 71.3900t	14.5123 7.5063 40.4819	7.9418 4.1078 22.1536	11.4764 5.9360 32.0134
Vietnam (Dong)	4942.00	2802.3816	1533.5919	2216.1434
Virgin Is-British (US $)	1.7635	1	0.5472	0.7908
Virgin Is-US (US $)	1.7635	1	0.5472	0.7908
Western Samoa (Tala)	3.8000	2.1548	1.1792	1.7040
Yemen (Rial)	18.20	10.3203	5.6477	8.1614
Yemen PDR (Dinar)	0.6054	0.3432	0.1878	0.2714
Yugoslavia (Dinar)	9263.98	5253.1783	2874.7804	4154.2511
Zaire Rep (Zaire)	432.64	245.3303	134.2560	194.0089
Zambia (Kwacha)	17.10	9.6966	5.3064	7.6681
Zimbabwe ($)	3.4775	1.9719	1.0791	1.5594

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports; (i) Non commercial rate; (j) Business rate; (k) Buying rate; (l) Luxury goods; (m) Market rate; (o) Official rate; (p) preferential rate; (q) convertible rate; (r) parallel rate; (s) Selling rate; (t) Tourist rate;
Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 01 634 4360/5.
Monday 9 January, 1989. ‡Rates due to devaluation.

LEGAL NOTICES

No. 008412 of 1988

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

IN THE MATTER OF MEGGITT HOLDINGS PUBLIC LIMITED COMPANY

- and -

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated the 12th December 1988 confirming the cancellation of the share premium account of the above-named Company was registered by the Registrar of Companies on 19th December 1988.

Dated the 3rd January 1989.

Clifford Chance,
Royex House,
Aldermanbury Square,
LONDON,
EC2V 7LD

INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

Canadian issues dominate primary activity

By Andrew Freeman

THE BUOYANT Canadian dollar sector continued to dominate new issue activity in the Eurobond market yesterday, but attention also focused on a $500m 10-year bond for the World Bank, the year's first significant US dollar issue.

Another C$715m was launched, with C$500m accounted for by an issue for Hydro Quebec, bringing the total for 1989 to C$1.9bn, after just four business days. Syndicators reported good demand, with institutions chasing longer-maturity paper while retail demand remained strong for short-dated paper.

The main talking point of the day was provided by the 10-year bond launched by Merrill Lynch Capital Markets for Hydro Quebec. The long maturity caught the market by surprise, but the issue, carrying an 11 per cent coupon and priced at 101⅛, was increased from C$400m to C$500m.

A Merrill official confirmed that demand was primarily institutional, but said that retail follow-through was expected: "Hydro is a well-known borrower in Europe and investors should be attracted by the 11 per cent coupon." By the close of trading the bonds were quoted around 50 basis points over comparable government securities.

Ford Motor Credit Corporation came to the market with a C$150m issue which was lead-managed by ScotiaMcleod. The issue, described as a straightforward three-year deal yielding 30 basis points over comparable government securities, matures in 1992 and carries a coupon of 11⅛ per cent. Priced at 101.35, the bonds were bid at a discount equal to full fees, according to the lead manager.

Following a C$100m issue in December, Toronto Dominion Bank launched a second tranche of C$65m which will be fungible after completion of distribution.

The three-year issue, lead managed by Union Bank of Switzerland Securities, carries an 11 per cent coupon and was priced at 100.80 to yield 30 basis points over government bonds. Most of the original syndicate declined to take part in yesterday's tranche, apparently feeling there would be little demand given the pricing.

Elsewhere, the World Bank's US$500m issue, lead managed by Deutsche Bank Capital Markets, met widespread demand from institutions. The bonds mature on February 1 1999, carry a coupon of 9⅝ per cent and were priced at 101⅝ to yield 28 basis points over US government securities.

In Eurosterling, Abbey *National, the UK building society*, brought a £100m issue through J.P. Morgan Securities. Although the final maturity is 1995, providing a longer maturity than the minimum five years allowed for Eurosterling bonds by the Bank of England, there is an investor put option at par on February 1 1993. Investors can thus view the bonds as four-year paper.

The bonds, priced at 101⅜, carry a 11⅝ per cent coupon giving a yield premium over the benchmark gilt, the 10 per cent of 1993, of 84 basis points at launch. This had narrowed to 81 later in the day.

If the put is not exercised, the coupon will be refixed to yield 10 basis points over the then prevailing bid rate for two-year swaps in the interest rate swap market.

In continental Europe, recent new issues in Switzerland and West Germany came under pressure amid fears over interest rates and the strength of the US dollar. In the Swiss *grey market, prices of straight* issues fell by a full point.

In Germany, five-year bonds were particularly vulnerable, reflecting an over-supply of paper. A DM200m issue for the Oesterreichische Kontrollbank was considered to have been tightly priced and was trading around less 2.60-*bid*, compared with total fees of 2 per cent.

National Bank of Hungary's DM200m issue went better. The bonds mature in 1996 and carry a coupon of 6⅝ per cent. Although the issue was trading slightly outside fees, this reflected lack of institutional demand.

In the Japanese equity warrant sector, Daiwa Europe lead managed a US$200m deal for Nitto Boseki, the Japanese textile spinning company. Priced at par, the four-year bonds come with equity warrants attached and a 4⅝ per cent coupon was indicated. Terms will be set on January 12, but the issue went well yesterday, opening at a premium.

● *SGST Securities (Société* Général Strauss Turnbull) announced it has moved into the Japanese equity warrant business by hiring a team of four, recently made redundant by Citicorp Scrimgeour Vickers. An SGST spokesman said the firm would not make prices to other brokers but solely to its own customers.

GOVERNMENT BONDS

High Fed funds rate holds Treasuries in check

By Janet Bush in New York and **Katharine Campbell** in *London*

US TREASURY bonds traded quietly and in a narrow range yesterday as a strong start to the dollar was offset by a relatively high Fed funds rate.

At the beginning of the day, the short end was unchanged while longer-dated maturities were up by as much as ¼ point. However, by late trading, this situation had reversed as the long end underperformed short-dated maturities.

The 8.5 per cent issue due 1991 was quoted $\frac{1}{32}$ point higher for a yield of 9.28 per cent while the Treasury's benchmark long bond fell $\frac{12}{32}$ point to yield 9.05 per cent.

Fed funds opened at 9¾ per cent and then drifted back to 9⅛ per cent in late trading. There is still a great deal of uncertainty about where the US Federal Reserve currently prefers the rate to be but many bond analysts guess at 9 per cent or just above. Yesterday's funds rate was slightly firmer than had been expected.

Treasuries appeared to react very little to various US official statements about monetary policy yesterday. Mr Beryl Sprinkel, White House Chief Economist, said that he expected *US interest rates to decline* despite relatively strong economic growth.

* * *

IT IS a measure of the diminishing stature of long-dated UK government gilts that long-term sterling bonds are now becoming a significant part of the overall UK debt market.

According to BZW's January sterling bond market review, new issues during 1988 of Eurosterling, domestic corporate and bulldog bonds amounted to £2.65bn, representing 10.74 per cent of outstanding gilts of over 15 years.

This was more than double the percentage in 1987, and made for the busiest year since the market's reconstitution in 1980.

BZW now estimates that long-term savings institutions, such as pension funds and insurance companies, have for the third year running invested more cash in sterling bonds than in UK gilts.

With *about* £10bn of funds available this year channelled towards the sterling bond market, the review thinks demand will slightly exceed supply, as corporates tend to be unenthusiastic about paying about 11 per cent for 25-year money.

The study also refers to the sharp rise in borrowing costs in both the domestic corporate and Eurosterling market in the *last quarter of 1988. Partly the* result of a busy new issue market, with £1.6bn launched, higher yields were also occasioned by the knock-on effect of RJR Nabisco's leveraged buy-out in the US.

Meanwhile, the gilts market *was fairly quiet yesterday as* traders are still awaiting next week's data that will be the first real indication of the *strength of consumer demand* in December. The long end of the market rose nearly ½ point, although the shorts were only about $\frac{3}{16}$ of a point firmer. The benchmark treasury 2003/2007 issue was up $\frac{11}{32}$ on the day.

* * *

THE Japanese bond market moved firmly ahead, with a normal day's trading after Saturday's close following the death of Emperor Hirohito. Turnover was near average levels, at Y1,100bn in the No 111 benchmark bond.

The short-term prime rate will shortly be deregulated, and rumours that the new rate will be set around 4.25 per cent, a ¼ point lower than expected, helped to boost the market.

* * *

THE GERMAN market was weaker on account of a strong dollar and expectations that *the Bundesbank would raise* short-term rates at Wednesday's repurchase agreement. On Wednesday, DM13.5bn *expires from the market.*

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		13.500	9/92	107-27	+4/32	10.85	10.78	11.01
		8.750	8/97	91-24	+4/32	10.21	10.14	10.24
		9.000	10/08	97-14	+16/32	9.28	9.27	9.28
US TREASURY *		8.875	11/98	97-21	-6/32	9.24	9.15	9.05
		9.000	11/18	99-13	-6/32	9.06	9.00	8.97
JAPAN	No 105	5.000	12/97	98.8286	+0.480	4.78	4.75	4.55
	No 2	5.700	3/07	109.2733	+0.530	4.75	4.76	4.72
GERMANY		6.750	8/98	100.4250	-0.100	6.71	6.58	6.56
FRANCE	BTAN	8.000	10/93	97.9623	+0.038	8.52	8.57	8.54
	OAT	9.500	5/98	105.8200	+0.570	8.55	8.63	8.71
CANADA *		10.250	12/98	99.5000	-0.125	10.33	10.15	10.03
NETHERLANDS		6.7500	10/98	100.4250	-0.475	6.76	6.61	6.60
AUSTRALIA		12.500	1/98	98.0511	+0.387	12.86	12.93	12.42

London closing, *denotes New York closing
Yields: Local market standard
Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

Licht and Watts join Enskilda Securities

By David Lascelles,
Banking Editor

MR Steven Licht and Mr Caleb Watts, two of the best known players in the Euromarkets, have joined Enskilda Securities to head a new capital markets division.

The new division will remain compact, supplying a limited number of top clients with specialised investment banking services.

Mr Licht said he and Mr Watts wanted to return to the *merchant banking principle of* "know your client and act for your client."

This had become impossible in many large financial conglomerates which tried to be all things to all men, and mass-marketed their own products. He emphasised that the new operation would be small, with low overheads.

Mr Licht and Mr Watts have worked together for 15 years, first at Credit Suisse First Boston and most recently at Merrill Lynch, which they left last summer after five years.

Enskilda Securities is the wholly-owned London investment banking arm of Skandinaviska Enskilda Banken of *Sweden. The firm* has concentrated on developing a European equities business which it claims is now one of the largest in London, offering mainly broking and research services.

Mr Gerard de Geer, group chief executive, said he had invited Mr Licht and Mr Watts to join the company as he felt there was scope for a small, specialised capital markets operation in the group.

Bank Leu to launch futures contract

BANK LEU plans to launch Switzerland's first index futures contract, based on the Swiss Market Index (SMI), on January 23, Reuter reports.

The contract, to be traded over the counter, is based on the real-time SMI which tracks 24 shares and the participation certificates of 20 Swiss companies.

Expiry months will be April and October and the bank will charge commission of 0.9 per cent.

Qatar loan mandate goes to nine banks

QATAR HAS awarded the mandate for a $400m loan to fund development of its vast North Field gas reservoir to a group of nine banks, according to the Bahrain-based Gulf International Bank, Reuter reports.

The Dhahran-based Arab Petroleum Investment Corporation, the Kuwait-based Gulf Investment Corporation and GIB are included in the three-year loan facility for Qatar General Petroleum Corp.

Banking observers said the loan, priced *at 22.5 basis points* above the London interbank offered rate (Libor) was divided at $44m each among all the banks.

They said the syndication would begin tomorrow and another participant, National Westminster Bank, would sell the deal on the market.

Qatar General Petroleum is expected to sign the loan in March.

Other banks included in the package are Bank of Tokyo, Mitsubishi Bank, Chase Investment Bank, Qatar National Bank and *the Jeddah-based* Riyad Bank.

Work on the first stage of the project, which will tap a 350,000bn *cu ft* reservoir of gas beneath shallow Gulf waters 50 miles off Qatar, began in mid-1987.

Qatar General Petroleum officials say 800m cu ft a day of natural gas will be produced for local use when the first *phase* is complete in 25 months.

Qatar has allocated funds from the sale of 40,000 barrels per day of its crude production for the project and has, so far, financed work with its own money.

Under the projected second phase, *Qatar* hopes to sell gas to neighbouring Gulf states. It eventually hopes to export gas to Japan and Europe.

Crash helps trigger 47% decline in EOE turnover

TURNOVER on the European Options Exchange (EOE) plunged 47 per cent in 1988 to Fl 4bn ($1.96bn) from a record Fl 7.5bn the previous year, Mr Tjerk Westerterp, chairman, said in his new year's speech, Reuter reports.

He said the number of contracts traded fell 22 per cent to 8.5m from 10.9m, the first volume fall in the EOE's 11-year existence.

"In comparison to the enormous turnover drop on many foreign option exchanges, especially in the US, we have no reason to be dissatisfied," Mr Westerterp said, adding the EOE had the highest 1988 volume among European option exchanges.

The chairman said the volume drop was particularly strong early in 1988 when small, private investors held back following the 1987 October stock market crash. But he noted turnover had picked up since last June.

"Assuming we have no catastrophes like the 1987 crash, I see more positive prospects for this year," he said, adding that a 10 to 15 per cent turnover rise was possible.

Liffe reassures on gilts

THE London International Financial Futures Exchange (Liffe) said yesterday there was still an adequate number of UK government bonds deliverable against its long gilt futures *contract, Reuter reports.*

The exchange announced earlier that it would not be *making changes to the con*tract following a review of its specifications.

A decline in the amount of *deliverable stocks has resulted* from the Bank of England buying-in cash gilts, leaving Liffe concerned over whether the futures contract still provided an adequate vehicle for the long end of the cash market.

A *Liffe official said the* exchange had been mindful of a possible increase in issuance in the Eurosterling and domes*tic markets, another source of* long-dated debt.

The gilt futures contract could play a role for those markets, he *said.*

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Monday January 9 1989						Fri Jan 6	Thu Jan 5	Wed Jan 4	Year ago (approx)
		Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1989 to date	Index No.	Index No.	Index No.	Index No.
1	**CAPITAL GOODS (209)**	806.94	+1.6	11.59	4.41	10.57	0.00	794.83	788.98	783.37	741.77
2	Building Materials (28)	968.34	+1.0	13.15	4.70	9.36	0.00	958.50	955.92	949.76	979.11
3	Contracting, Construction (39)	1502.41	+0.7	13.19	4.06	9.88	0.00	1492.34	1481.83	1474.77	1412.72
4	*Electricals (10)*	2361.14	+1.8	9.17	4.78	13.16	0.00	2319.06	2314.24	2306.44	2043.78
5	Electronics (30)	1909.41	+3.5	9.82	3.42	13.18	0.00	1844.62	1825.30	1801.43	1556.74
6	Mechanical Engineering (55)	421.74	+1.6	11.29	4.43	10.78	0.00	415.20	412.01	409.82	383.71
8	Metals and Metal Forming (7)	463.29	+0.4	16.69	6.37	6.77	0.00	461.35	455.94	455.21	464.08
9	Motors (17)	265.73	+0.8	12.30	4.98	9.42	0.00	263.71	262.62	261.14	272.16
10	*Other Industrial Materials (23)*	1353.52	+1.1	10.07	4.61	11.74	0.00	1338.85	1334.14	1326.02	1248.22
21	**CONSUMER GROUP (187)**	1042.57	+0.8	9.90	4.01	12.66	0.00	1034.52	1027.51	1022.07	1023.09
22	Brewers and Distillers (21)	1133.54	+0.2	11.19	3.94	11.16	0.00	1130.95	1126.81	1112.94	972.22
25	Food Manufacturing (21)	945.48	+0.3	9.77	4.07	12.83	0.00	942.84	939.71	938.71	832.32
26	Food Retailing (15)	1830.30	+1.2	9.80	3.80	13.43	0.00	1807.76	1807.43	1798.28	2058.59
27	Health and Household (13)	1846.42	+1.1	7.26	2.93	15.77	0.00	1826.62	1802.12	1789.08	1717.01
29	Leisure (32)	1369.56	+0.7	8.55	3.69	14.92	0.00	1359.41	1354.99	1347.53	1164.46
31	Packaging & Paper (17)	540.73	+0.8	10.31	4.16	12.06	0.00	536.38	529.60	527.28	506.26
32	Publishing & Printing (19)	3297.11	+0.7	9.27	4.65	13.50	0.00	3275.75	3254.53	3236.76	3454.53
34	Stores (34)	698.74	+1.2	12.12	4.92	10.84	0.00	690.68	683.72	684.20	840.37
35	Textiles (15)	481.53	+1.1	14.36	5.88	8.34	0.00	476.44	470.24	466.19	582.50
40	**OTHER GROUPS (91)**	920.84	+1.2	11.19	4.67	10.96	0.00	910.15	903.71	900.28	854.88
41	Agencies (18)	1082.60	+2.1	8.91	2.71	14.17	0.00	1060.70	1054.12	1043.07	1073.61
42	Chemicals (22)	1067.45	+1.1	12.01	4.94	10.03	0.00	1055.46	1042.64	1036.05	1095.39
43	Conglomerates (12)	1294.48	+1.0	10.38	5.53	11.32	0.00	1281.00	1270.59	1264.29	1139.72
45	Shipping and Transport (12)	1914.76	+2.0	10.39	4.35	12.59	0.00	1878.00	1858.88	1836.25	1753.78
47	Telephone Networks (2)	1022.81	+1.1	11.48	4.59	11.32	0.00	1011.26	1009.18	1006.10	893.37
48	Miscellaneous (25)	1195.31	+0.5	12.04	4.60	9.45	0.00	1188.82	1183.56	1188.48	1129.44
49	***INDUSTRIAL GROUP (487)***	963.97	+1.1	10.73	4.30	11.53	0.00	953.27	946.82	941.74	915.25
51	Oil & Gas (13)	1754.67	+1.0	10.51	6.33	12.17	0.00	1736.98	1726.39	1728.36	1740.83
59	**500 SHARE INDEX (500)**	1031.20	+1.1	10.70	4.58	11.62	0.00	1019.89	1013.09	1008.56	985.16
61	**FINANCIAL GROUP (127)**	681.49	+0.6	–	5.21	–	0.00	677.75	675.35	674.84	623.96
62	Banks (8)	670.11	+0.4	21.15	6.47	6.34	0.00	667.13	661.26	661.95	660.63
65	Insurance (Life) (8)	943.72	+0.7	–	5.72	–	0.00	937.36	933.96	938.35	906.03
66	Insurance (Composite) (7)	531.11	+0.1	–	5.88	–	0.00	530.73	534.02	532.95	510.93
67	Insurance (Brokers) (7)	953.16	+1.0	9.19	6.82	13.60	0.00	943.78	937.99	923.72	914.78
68	*Merchant Banks (11)*	323.78	+0.5	–	4.63	–	0.00	322.22	321.31	318.65	350.96
69	Property (54)	1224.28	+1.0	5.79	2.75	22.02	0.00	1212.22	1208.48	1206.76	994.82
70	Other Financial (32)	346.18	+0.2	10.11	5.78	12.34	0.00	345.63	345.07	344.49	394.11
71	Investment Trusts (76)	948.55	+1.7	–	3.20	–	0.00	932.73	927.91	923.72	820.41
81	Mining Finance (2)	580.19	+1.4	10.54	3.60	10.58	0.00	572.07	568.38	569.40	450.05
91	*Overseas Traders (8)*	1301.62	+0.8	9.00	4.86	12.89	0.00	1291.82	1275.43	1275.45	969.99
99	**ALL-SHARE INDEX (713)**	945.52	+1.0	–	4.62	–	0.00	935.77	929.97	926.49	895.83

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Jan 6	Jan 5	Jan 4	Jan 3	Dec 30	Year ago
FT-SE 100 SHARE INDEX♦	1831.5	+20.2	1836.0	1826.5	1811.3	1799.5	1793.8	1782.8	1793.1	1760.2

FIXED INTEREST

	PRICE INDICES	Mon Jan 9	Day's change %	Fri Jan 6	xd adj. today	xd adj. 1989 to date
	British Government					
1	5 years	118.37	+0.16	118.18	–	0.23
2	5-15 years	133.64	+0.30	133.24	–	0.08
3	Over 15 years	146.55	+0.50	145.82	–	0.00
4	Irredeemables	168.77	+0.48	167.96	–	0.00
5	*All stocks*	*131.62*	*+0.28*	*131.25*	–	*0.12*
	Index-Linked					
6	5 years	130.14	+0.01	130.13	–	0.00
7	Over 5 years	127.64	+0.27	127.30	–	0.00
8	All stocks	127.64	+0.25	127.32	–	0.00
9	Debentures & Loans	116.12	+0.18	115.97	0.06	0.24
10	*Preference*	*86.33*	*+0.03*	*86.30*	–	0.00

	AVERAGE GROSS REDEMPTION YIELDS		Mon Jan 9	Fri Jan 6	Year ago (approx.)
	British Government				
1	*Low*	5 years	9.43	9.45	9.01
2	Coupons	15 years	9.11	9.14	9.66
3		25 years	9.01	9.05	9.46
4	Medium	5 years	10.63	10.68	9.78
5	Coupons	15 years	9.69	9.74	9.85
6		25 years	9.24	9.29	9.68
7	High	5 years	10.86	10.92	9.79
8	Coupons	15 years	9.84	9.88	10.00
9		25 years	9.16	9.23	9.78
10	Irredeemables	†	9.00	9.04	9.40
	Index-Linked				
11	Inflation rate 5%	5yrs.	3.73	3.73	3.03
12	Inflation rate 5%	Over 5 yrs.	3.73	3.75	4.16
13	Inflation rate 10%	5 yrs.	2.54	2.53	3.53
14	*Inflation rate 10%*	*Over 5 yrs.*	3.57	3.59	4.26
15	Debs &	5 years	11.68	11.65	11.07
16	Loans	15 years	11.29	11.28	11.03
17		25 years	10.95	10.95	11.03
18	Preference	†	10.41	10.40	10.63

♦Opening index 1826.5; 10 am 1834.7; 11 am 1834.5; Noon 1835.5; 1 pm 1834.1; 2 pm 1834.5; 3 pm 1832.3; 4 pm 1832.1; 4.05 pm 1832.2
(a) 11.36am (b) 9.00am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 34p.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	100	2	9
Corporations, Dominion and Foreign Bonds	16	0	35
Industrials	611	214	757
Financial and Properties	294	49	327
Oils	34	11	59
Plantations	2	3	8
Mines	41	33	114
Others	122	29	105
Totals	1,220	341	1,414

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. date	1988/89 High	1988/89 Low	Stock	Closing Price	+ or -	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
58	F.P.	-	66	58	§Apollo Metals 10p	66		R2.0	2.9	4.0	11.3
§20	F.P.	16/12	30	21	§Apollo Watch Prods. 5p	29		b0.45	3.0	2.1	19.5
†	F.P.	-	63	58	*Associated Farmers	63		-	-	-	27.8
-	F.P.	-	80	55	BTR Warrants	79	+3	-	-	-	-
†	F.P.	-	166	161	Bardon Group 10p	161		2.5	2.4	2.1	26.5
82	F.P.	-	71	43	Betacom 10p	71		b2.6	2.0	4.8	9.5
§200	F.P.	-	210	183	§Bletchley Motor 20p	185	-3	R7.5	2.4	5.4	7.4
§135	F.P.	-	148	141	Bostrom 5p	148		R5.1	2.9	4.6	8.4
125	60p	-	63	58¼	British Steel 50p	63¼	+¼	R7.5	2.7	7.8	5.2
Ir.44	F.P.	-	54½	41	§Capital Leasing Ir.10p	54	-½	RQ13%	3.3	2.1	15.1
§70	F.P.	6/1	82	72	§Channel Express 10p	74	-1	R2.1	3.0	3.8	10.7
245	F.P.	-	270	243	Compass Group 5p	270	+2	R7.2	2.7	3.6	13.9
§154	F.P.	13/1	161	141	Dancongroup	161		R4.75	2.6	3.9	11.6
§84	F.P.	-	95	84	§EW Fact 5p	88		b3.0	2.3	4.5	9.2
§190	F.P.	13/1	190	182	§Embassy Property 10p	187		L6.0	1.4	4.3	11.9
§85	F.P.	-	152	85	*Haemocell 1p	145	-3	-	-	-	-
§110	F.P.	9/1	139	110	§Metro Radio 5p	139	+1	L3.0	2.3	2.9	16.0
§120	F.P.	-	120	106	§Planning Resch. & Sys10p	108		R3.5	2.8	4.3	9.5
§117	F.P.	-	118	110	§Sandell Group 10p	118		L4.4	1.8	5.0	11.6
§140	F.P.	-	150	141	Secure Trust 1p	150	+1	W7.09	2.3	6.3	9.2
§95	F.P.	-	98	93	§Venture Plant 5p	98		L3.25	1.5	4.4	12.0

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1988/89 High	1988/89 Low	Stock	Closing Price £	+ or -
100p	F.P.	-	96p	85p	AMEC New 6½p (Net) Cm Cv Rd Pf 50p	89½	-½
100p	F.P.	-	105p	103p	§Apollo Metals 8p(Net) Cnv Rd Pf 10p	103p	
100p	F.P.	-	100¾p	98½p	Arlington Sec. 9½pc Cm. Rd. Pf. 2008	98½p	
100p	F.P.	-	111p	106p	Bardon Grp 5p(Net) Cv Cm Rd Pf 10p	110p	
100p	F.P.	-	100p	97p	Beauford Grp 7p(Net) Cm Cv Rd Pf 10p	100p	
100.3p	F.P.	-	101p	94p	Blackwood Hodge 9pc Cm. Pf. £1	96p	
100	F.P.	-	104	100	Cable & Wireless 7pc Cv Uo Ln 2008	102	
§100p	F.P.	-	99¾p	98¼p	Church (C) Dev. 9.375pc Cm Rd Pf £1	99½p	+¼
100p	F.P.	-	101p	100p	§Clyvision 8.5pc Cv Cm. Rd. Pf.	100p	
100p	F.P.	-	90p	87p	Iceland Frozen Foods Cv Cm Rd Pf 20p	91p	+1
§100p	F.P.	-	100¼p	95p	Jacques 7.3p(Net) Cv Cm Rd Pf 50p	96p	
100p	F.P.	-	60p	54p	Kelt Energy 6pc(Net) Cv Cm Rd Pf £1	58p	
100p	F.P.	-	96p	86p	Leisure Invs 7pc Cm Cv Rd Pf(1988) £1	89p	
100p	F.P.	-	98p	89p	Mecca Leisure Grp. 7.25p Cv Pf 20p	93p	+1
§100	F.P.	-	100	99¾	N'wide Anglia 12⅝pc 2.6.90	99¾	
§100p	F.P.	-	96p	90p	Parkfield Grp 9pc(Net)Rd Pf '10/13 £1	90½p	+¼
§100p	F.P.	-	100p	88p	Rockware Grp 7¼pc Cv Cm Rd 2nd Pf	95p	+1
†100p	F.P.	-	85p	80p	§Thorpac 8p Cv Rd Ptg Pf '01-'05 50p	85p	
100p	F.P.	-	104p	93p	Williams Hldgs 8p (Net) Cv Rd Pf 10p	96p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1988/89 High	1988/89 Low	Stock	Closing Price p	+ or -
93	Nil	-	13pm	1¼pm	ABLP Group 10p	1¼pm	-¼
165	Nil	2/2	16pm	7pm	Haden MacLellan 20p	10pm	
98	Nil	3/2	8pm	8pm	Lees (John J.) 10p	8pm	
25	Nil	-	4pm	¼pm	Morton Group 20p	¼pm	-1¼
300	Nil	-	1½pm	¼pm	Peel Hldgs.	2¼pm	
48	Nil	-	8pm	6½pm	Readicut Int'l 5p	7½pm	+½
16	F.P.	6/1	18½	16½	§Resort Hotels 10p	16½	
110	Nil	-	13pm	11pm	Richards 10p	11pm	

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. s Dividend and yield exclude special payment. e Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on Prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ¶ Issued by tender. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ♦ Issued in connection with reorganisation merger or takeover. ‡ Allotment price. ◊ Unlisted securities market. ♦ Official London listing. □ Including warrants entitlement. * Third Market.

LONDON TRADED OPTIONS

Option		CALLS Jan.	Apr.	July	PUTS Jan.	Apr.	July
Allied Lyons (*440)	420	24	43	53	1	9½	17
	460	2½	20	32	22	29	35
Brit. Airways (*157)	140	19	21	27	1	3	7
	160	2½	9½	14	5½	10	14
Brit. & Comm. (*209)	200	13	22	26	3	7	9
	220	2	10	15	16	16	18
	240	½	3	7	32	34	36
B.P. (*253)	240	14	19	26	1	6	8½
	260	2¼	6	14	9	18	19
British Steel (*63)	50	13½	15¼	16½	¼	¾	1½
	60	3¼	6¾	8¾	¾	2	4¾
	70	½	2	3¼	7¼	7¼	10¾
Bass (*810)	800	22	53	80	10	22	27
	850	3	25	48	43	45	48
Cable & Wire (*369)	360	15	33	43	4½	13	18
	390	2	14	24	23	28	33
Cons. Gold (*1242)	1200	72	135	175	20	60	85
	1250	45	105	150	47	85	120
	1300	22	80	125	75	120	145
Courtaulds (*283)	280	9	23	31	6	13	20
	300	2½	13	21	20	24	31
Com. Union (*342)	330	13	24	33	5	13	18
	360	2	7	16	23	32	33
*G.K.N. (*304)*	300	9½	20	28	5	15	18
	330	1	7	14	27	36	39
Grand Met. (*445)	420	28	36	52	1	10	14
	454	3½	16	–	13	26	–
I.C.I. (*1065)	1050	27	50	78	10	33	38
	1100	6	26	53	37	65	67
Jaguar (*276)	260	19	26	38	2	11	16
	280	5	14	26	9	21	25
Land Securities (*551)	500	55	70	85	2	7	12
	550	13	35	48	10	20	28
	600	2	15	25	53	53	55
Marks & Spencer (*155)	140	16½	23	26	1	3	5
	160	2	8	12	7½	9	10
	180	½	3	5	26	26½	27
STC (*265)	260	11	20	33	6	12	15
	280	2	10	21	18	24	27
Sainsbury (*205)	200	9	17	23	5	8	12
	220	1	7	13	18	20	23
Shell Trans. (*337)	317	23	30	38	1	6	7
	333	9	18	27	4½	13	14
	350	2	9	19	15	24	25
Storehouse (*194)	180	16	27	35	4	10	14
	200	5	17	24	11	18	24
Trafalgar House (*294)	280	19	28	32	3	6	11
	300	5	16	22	11	14	20
Utd. Biscuits (*315)	300	20	36	48	5	16	19
	330	7½	21	32	22	30	35
Ultramar (*287)	275	18	32	–	5	16	–
	280	–	–	43	–	–	25
	294	7	21	–	14	29	–
Woolworth (*239)	220	23	30	34	1½	5½	9
	240	6	15	20	7	11	15

Option		Apr.	July	Oct.	Apr.	July	Oct.
Boots (*236)	220	28	33	38	5	8	11
	240	13	18	23	13	17	19

Option		Jan.	Apr.	Aug.	Jan.	Apr.	Aug.
GEC (*222)	200	24	32	38	1¼	6½	12
	220	11	21	27	9	15	19
	240	5	11	19	23	26	30

Option		Jan.	Apr.	June	Jan.	Apr.	June
Rolls-Royce (*139)	130	10	17	18	1	4½	7
	140	3½	9	11½	4½	7½	12
*TSB (*120)*	100	10½	13	14	½	2½	2½
	110	3	5	8	4	5	7
	120	½	3	4	12	13	13

Option		Feb	Apr	Jul	Feb	Apr	Jul
Ladbroke (*428)	420	21	31	41	7½	12	17
	460	4½	10½	22	35	36	40

Option		Feb	May	Aug	Feb	May	Aug
Brit Aero (*446)	420	37	46	61	5½	16	18
	460	13	23	40	21	35	40
BAA (*270)	260	18	28	32	4	6	9
	280	5	15	21	13	15	20
BAT Inds (*452)	420	40	50	59	1½	8½	10½
	460	11	22	34	14	24	28
Brit. Telecom (*264)	240	28	36	43	1	2½	6
	260	11	21	26	4	6½	10
Cadbury Schweppes (*340)	330	23	34	45	9½	19	22
	360	9½	21	31	28	37	39
Guinness (*340)	300	46	54	60	1	3	4
	330	20	30	36	6	9	10
	360	7	12	20	22	24	26
LASMO (*487)	420	78	95	110	6	16	20
	460	44	67	84	14	30	36
	500	25	45	63	38	48	55
P. & O. (*542)	500	50	60	68	4	12	16
	550	15	28	37	20	32	35
	600	3	9	18	65	68	68
Pilkington (*211)	180	35	42	44	1½	2	4
	200	16	25	28	3	6	10
	220	5	12	17	12	15	19

Option		CALLS Feb	May	Aug	PUTS Feb	May	Aug
Plessey (*226)	220	17	27	31	7	12	18
	240	9	15	19	17	23	27
Prudential (*154)	140	18	20	23	2	4	5
	160	4	7	10	9	12	13
	180	1	3	–	28	29	–
Racal (*293)	260	39	49	54	3	5	10
	280	23	35	40	7	12	17
	300	10	21	30	16	19	26
R.T.Z. (*449)	420	37	52	65	7	14	16
	460	13	26	40	23	30	35

Option		Feb	May	Sep	Feb	May	Sep
Vaal Reefs (*64)	60	10	12	13	2½	6	7
	70	3½	5	8	10	13	14

Option		Mar	Jun	Sep	Mar	Jun	Sep
*Amstrad (*172)*	160	20	29	35	5	9	13
	180	10	17	23	14½	18	23
	200	4	10	–	29	31	–
Barclays (*412)	390	33	37	47	9	10	15
	420	13	20	28	25	27	30
	460	17	24	38	22	32	38
Blue Circle (*448)	420	44	50	60	8	14	28
	460	17	24	38	22	32	36
Dixons (*138)	130	15	20	24	5	8	12
	140	9	14	19	8	12	14
*Glaxo (*1102)*	1100	62	97	134	37	52	57
	1150	40	72	–	65	75	–
Hawker Sidd. (*538)	500	78	88	101	2	9	13
	550	40	50	68	15	25	29
	600	14	26	–	44	55	–
*Hillsdown (*239)*	220	27	33	38	2	4½	5
	240	11	19	23	8	12	13
Lonrho (*354)	330	42	58	63	18	30	36
	360	25	44	51	37	46	52
Midland Bk (*412)	390	33	40	47	9	12	15
	420	12	22	28	22	25	30
Sears (*113)	110	11½	15	18½	5½	7	10
	120	5½	10	13	11	14	15
Trusthouse Forte (*255)	240	21½	31	38	8	11½	13½
	260	10½	20	27	18	21	23
Thorn EMI (*645)	600	65	80	85	6	14	17
	650	28	42	50	20	35	40
Wellcome (*415)	390	43	58	72	8	11	14
	420	24	40	52	19	23	25

Option		Jan	Mar	Jun	Jan	Mar	Jun
British Gas (*159)	140	20	23	28½	½	1¼	2
	160	2	6¼	12	2¼	5	6½

Option		Jan			Jan		
RHM (*357)	330	30	–	–	2	–	–
	360	9	–	–	12	–	–

Option		Mar	Jul	Oct	Mar	Jul	Oct
Beecham (*479)	460	39	64	68	8	16	19
	500	16	31	45	28	33	36
Unilever (*464)	460	23	36	49	14	19	24
	500	7	18	30	41	47	46

Option		Mar	May	Aug	Mar	May	Aug
BTR (*307)	280	35	37	43	2	4½	6
	300	20	21	29	5	10	13
Hanson (*163)	140	27	29½	31½	¼	1	2
	160	9¼	12	16	3½	4½	6½
Tesco (*134)	130	11	14	17	4½	6	8
	140	5	9	13	8	12	13

Option		Jan	Mar		Jan	Mar	
Enterprise Oil (*494)	460	40	62	–	7	17	–
	500	14	42	–	22	35	–
Scot. & Newcastle (*398)	360	39	50	–	1	5	–
	390	11	31	–	3	15	–
	420	1½	18	–	24	28½	–

Option		Feb	May	Aug	Feb	May	Aug
Conv. 9½% 2005 (*99)	98	[illegible]	–	–	[illegible]	–	–
	100	[illegible]	–	–	[illegible]	–	–
	102	[illegible]	–	–	[illegible]	–	–
Tr. 12% 1995 (*106)	106	–	–	–	[illegible]	–	–
	110	[illegible]	–	–	–	–	–
	112	[illegible]	–	–	–	–	–

Option		Jan	Feb	Mar	Apr	Jan	Feb	Mar	Apr
FT-SE Index (*1832)	1650	185	–	–	–	1½	–	–	–
	1700	136	150	160	167	2¼	6	10	13
	1750	88	103	115	127	5	11	16	21
	1800	44	61	75	87	11	21	27	33
	1850	13	32	41	54	31	43	49	53
	1900	3	12	20	28	77	78	80	83
	1950	1	3	–	–	125	127	–	–

January 9 Total Contracts 49,878 Calls 39,180 Puts 10,698
FT-SE Index Calls 3375 Puts 3264
*Underlying security price.

UK COMPANY NEWS

TI Group raises £48m through US disposals

By Clare Pearson

TI GROUP, the much-restructured specialist engineering company, has raised $86m (£48m) through the sale of three of the four US plastics businesses it acquired with Bundy Corporation, the tube manufacturer, its £80m US acquisition last spring.

But, marking a change of mind since it announced that the Performance Plastics subsidiaries were up for sale last October, it has decided to retain the fourth business, Titeflex. With sales of around $60m, this is roughly equal in size to the three businesses sold.

TI said yesterday the particular type of plastic tubing produced by Titeflex fitted in with the small diameter metal tubing made by the rump of Bundy's businesses, the restructuring of which was now complete.

The disposals are in line with TI's policy of growing businesses that can demand market share or technological leadership. This strategy has involved it in a string of acquisitions and divestitures over the past two years.

The three Performance Plastics subsidiaries, Dixon, Bunnell and CHR, are being sold to The Finorocarbon Company, a US industrial components concern. In the year to end-July they had combined sales of $57m and made operating profits of $7.7m. Net assets stood at $42.6m at the balance sheet date.

Titeflex's tubing, a TI spokesman said, could be used to make the corners in clusters of tubing. Such clusters met motor manufacturers' increasing demand for components that could be clamped on rather than having to be assembled.

In its busy programme of corporate activity, TI's most recent significant move was the sale last December of its US vehicle silencer businesses to Arvin Industries, a US motor components group, as well as its Canadian tube manufacturer.

It raised a combined £141m from these, which came after it it paid £72.5m to acquire Thermal Scientific, the high-technology laboratory and industrial equipment maker.

The spokesman said yesterday TI was in the process of shedding four remaining peripheral parts of Thermal Scientific, having already got rid of three. The total proceeds from these disposals was expected to be about £24m. Afterwards, TI would have virtually no borrowings.

Disposals to French raises £55m for Unitech

By David Waller

UNITECH, UK electronic components group, is selling its distribution businesses for £45m in cash to Metrologie Internationale, a French distribution group in which Unitech had – until yesterday – a 17 per cent stake. That stake is being sold to raise a further £10m.

The moves were widely expected following the company's $327m (£185m) acquisition of Veeco Instruments last November, which signalled a shift in Unitech's business towards manufacturing.

The proceeds were higher than many analysts had expected and the shares gained 13p to close at 208p.

The sale of Rapid Recall, Celdis and Enatechnik – involved in the distribution of systems and semiconductors in the UK, Italy and Germany – will have a dramatic effect on Unitech's balance sheet.

After taking account of £16m debt in the distribution businesses, the disposals will halve group debt to about £70m. Gearing, however, will still stand at more than 100 per cent.

The businesses being sold generated a combined profit of £3.7m in the year to May 28 1988, accounting for a quarter of group profits. Net assets were £45m.

Unitech said yesterday that the bulk of its disposals was completed and the company was focused on the manufacture of electronic components, power supplies and instrumentation. The sale of various unwanted Veeco businesses was yet to come. The first disposals, due before May, should raise between $30 and $40m.

Unitech's stake in Metrologie has been sold to a group of French institutions.

Transport Development disposes of steel reinforcement interests in £57m deal

By David Waller

TRANSPORT DEVELOPMENT Group, distribution and storage company, is selling its steel reinforcement interests for £57.2m to Phildrew, a venture capital concern.

TDG yesterday said that it had received an approach from Phildrew and thought it wise to accept this and use the proceeds on the development of its business.

During 1987, the steel businesses – consisting of Square Grip and its subsidiary companies in the UK and North America – made operating profits of £5.07m. Net assets stood at £19.1m at the end of 1987.

Profits for the first half of 1988 were £2.93m (£1.74m), reflecting "a significant expansion and increase of the business". Phildrew predicted that operating profits would exceed £10m in the current financial year.

From the buyer's point of view, the transaction is highly innovative, in that it is a cross between a bought-deal, buy-out and buy-in.

To start off with, Phildrew will take the Square Grip group onto its own books via a subsidiary company owned 93.75 per cent by Phildrew and 6.25 per cent by TDG, which will take up this stake for a nominal £625.

It is hoped to announce the identity of a new chief executive by the end of the week (the buy-in element). He and Square Grip's existing management will be entitled to buy up to 15 per cent of the company (the buy-out).

It is also hoped to offer shares in the new company to other institutions, leaving Phildrew with between 30 and 40 per cent of the equity (the bought deal).

Phildrew was formed last year by teams of venture capitalists from Citicorp and Prudential, backed, as the name suggests, by Phillips & Drew.

Expansion for Erskine House

By Andrew Hill

ERSKINE HOUSE Group, acquisitive distributor of facsimile and photocopier machines, has bought two more copier companies, one in the US and one in West Germany, for a maximum of over £4.29m.

Erskine, which has bought 12 companies since its March year-end, has acquired MKS Vertriebs, a Frankfurt-based company selling and servicing Ricoh, Infotec and Panasonic copiers and fax machines, for an initial DM 8m (£2.48m).

Further payments are based on how far MKS's annualised profits exceed DM 1.6m before tax in the 15 months to March 31, 1990.

In the US, Erskine is buying MBM of Georgia, based in Atlanta, which deals in Sharp copiers, for an initial $2.8m (£1.58m), with further payments up to $400,000 dependent on profits in the period up to March 31, 1991.

In the year to December 31, MKS made DM 488,000 before tax on sales of DM 8.4m and had net tangible assets of DM 116,000.

MBM, had net assets of $497,000 at the same date and in the same period made $348,000 before tax. The vendors are guaranteeing pre-tax profits of at least $575,000 for the year ended December 31, 1988.

Erskine, which already has a substantial presence in the US market including another Sharp dealership based in Atlanta, made its first move into West Germany at the beginning of December, with the £2.5m purchase of a Hamburg copier and fax group.

Assoc Farmers applies to join Third Market

By Fiona Thompson

Associated Farmers, East-Anglian farming company, has applied to join the Third Market via an introduction sponsored by Cambridge Capital.

The company was founded five years ago when it raised about £2m under the Business Expansion Scheme.

The company currently farms more than 1,000 acres in East Anglia. Half the land is owned and the rest is held on company tenancy or rented. Acquisitions are to be sought in related sectors such as garden centres, food packaging and land management.

To maximise the potential of its assets, Associated Farmers may sell a limited amount of property, between 10 and 20 acres, for residential development.

The company's asset value per share is 72.3p according to the accounts to November 30, 1987.

Carless bid saga nearing close

By Nikki Tait

TRAFALGAR HOUSE, UK property, shipping and construction group, has accepted the £208m offer from Kelt Energy for Carless, the larger oil independent, in respect of its 10.4 per cent stake.

This acceptance, which arrived late on Friday, should finally bring the long-running bid saga to a close.

Yesterday, Henry Ansbacher, Kelt's advisers, said that they believed that Kelt now controlled around 90 per cent of Carless. This is the level at which a bidder can mop up the remaining shares. The bid has already been declared wholly unconditional.

Trafalgar intervened in the bid tussle during its later stages, when white knight talks had broken down and Kelt already controlled over 50 per cent of its target's shares. Cazenove, Trafalgar's brokers, picked up 18.7m shares at 115p, the same level as the Kelt offer price.

Despite its apparently strong position, Kelt had not been able to cement control because its offer was financed by a loan facility from American Express which stipulated control of 90 per cent of Carless or such lower figure as might be agreed. At face value, then, the Trafalgar move had a chance of blocking Kelt's chance of finalising the takeover. In the event, however, Amex agreed to lower the acceptance condition.

If Kelt was stymied, the plan was for Trafalgar House to dispose of its oil and gas interests to Carless in return for a mixture of cash and shares. Yesterday, Trafalgar said that these activities remained under review but that, for the present, they continued to operate normally as part of the group.

British Syphon buy-out extended again

By Andrew Hill

THE MANAGEMENT of British Syphon Industries has, for the second time, extended its recommended 155p-a-share offer for the Cheshire-based merchanting and manufacturing company.

About 41.4 per cent of the group's shares have been committed to the buy-out, but the level at which the highly leveraged bid can be declared unconditional has yet to be decided. The final closing date is 1pm on January 24.

Mr Bryan Morrall, British Syphon chairman and chief executive who is heading the buy-out team, yesterday said he was confident about the outcome of the recommended bid, although he said a further increase in interest rates might affect the buy-out's chances of going unconditional.

British Syphon's major shareholders – Mr Nathu Ram Puri and Melton Medes, the private industrial group which he heads – intend to hold on to their 23.6 per cent stake, in the hope of a higher offer emerging. Mr Puri yesterday said that Melton Medes was unlikely to launch a counter-bid.

Merrydown Wines in £1.5m buy

Merrydown Wine is buying West Country Honey Farms for £1.52m.

The deal is to be financed by the issue of 68,966 new Merrydown shares to the vendor and 186,614 new shares to institutional clients realising £250,000 and £643,818 respectively. The balance of £626,100 is in cash.

In the year to the end of July 1988, West Country achieved pre-tax profits of £102,230 on turnover of £834,815. Net assets at that date stood at £241,126.

Mansfield pub sale

Mansfield Brewery has sold 21 tenanted public houses to Burtonwood Brewery for £3.2m cash. Mansfield said the proceeds of the sale would be reinvested in developing and acquiring new outlets.

Sanderson Elec in US move

Sanderson Electronics has agreed terms to invest up to $4.1m (£2.3m) cash in General Automation, a Californian computer company. Sanderson will receive warrants and conversion rights which if exercised would give it 51 per cent of GA. This would be achieved in three stages.

First, Sanderson has granted GA a three months secured loan of $500,000. GA is to pay Sanderson an arrangement fee of $140,000, with which Sanderson is subscribing for 200,000 new GA shares and will receive warrants (exercisable within five years) for a further 200,000.

Second, subject to shareholders' approval, the loan will be increased to $1.75m and the repayment date extended to June 30 1990. And third, GA has granted Sanderson the right to convert the increased loan into 2.5m shares, about 28 per cent of the enlarged share capital.

Saur condemns possible bids from water authority

By Andrew Hill

MR JOHN STANSBY, chairman of SAUR (UK), a subsidiary of Bouygues, yesterday condemned as anti-competitive the possibility of hostile offers for statutory water companies from Southern Water Authority and Associated Insurance Pension Fund, an investment vehicle for Australian businessman Mr Duncan Saville.

Mr Stansby was responding to speculation that the two groups, which formed a co-operation agreement in November to cover their substantial water company stakes, are poised to mount rival offers for companies in Southern's area.

They are thought to be considering takeovers for up to three groups – Mid-Sussex, West Kent and Folkestone – to counter recommended offers from SAUR and its rival Compagnie Générale des Eaux.

Yesterday Southern and AIPF, without ruling out bids, repeated their commitment to ensure the "future and integrity" of statutory water companies in Southern's area.

It is thought AIPF and Southern may prefer, in the light of government sensitivity on the issue, to block some of the French offers without launching counter-bids.

Meanwhile, SAUR has extended its agreed bid for Mid-Sussex – and for Mid Southern, outside Southern's area – until January 20.

At the first closing date on Friday, SAUR had received acceptances representing 17 per cent of the Mid-Sussex voting rights and 37.3 per cent of Mid Southern's voting capital.

SAUR's bid for West Kent reached its first closing date yesterday and its offer document for Eastbourne Waterworks is expected this week.

Ladbroke extends £165m T-Line offer

By Ray Bashford

Ladbroke Group, international leisure group, is extending the offer date for Thomson T-Line until January 23 after receiving acceptances for 0.11 per cent of the industrial holding company's capital.

Ladbroke's offer values the company at £165m and it is offering 80p for each ordinary share with a loan note alternative.

Mr Keith Edelman, Ladbroke's corporate development director, said the offer fully values Thomson T-Line shares which are "being underpinned by expectations that Thomson is in discussions with another potential offeror."

Imry sale reduces gearing

By Paul Cheeseright, Property Correspondent

IMRY MERCHANT Developers yesterday confirmed the sale of its 50 per cent stake in the St George's Hospital hotel and office development at Hyde Park Corner in central London to Bond Corporation for £37.9m.

Bond, which is seeking a place in the British property market through the acquisition of prime properties, had earlier bought 50 per cent of St George's. It has paid a total of £68.5m to buy out Imry and obtain total control.

The effect of its latest sale is to reduce Imry's gearing to 40 per cent and to eliminate the hefty cost burden of the development. Imry's property portfolio is now valued at £260m.

Bond is making design changes at the development and is planning to increase the number of bedrooms at the hotel from 80 to 101. It will operate the hotel itself.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Carclo Eng ....int	1.35	Feb 25	1.1	–	4.7
Ellis & Everard ....int	2†	March 6	1.9	–	5.6
External Inv Tr ....int	10	-	9	-	20
London Shop ....int	2.7	Apr 6	2.25	–	7.1
ML Holdings ....int	0.72†	–	0.6	–	2.3
Sheffbank Prop ....int	0.1	-	-	-	0.55
Tomkins ....int	2†	Apr 6	1.35	–	4.5

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. #Third market.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims- Astra Trust, Cantors, Colotex & Fowler, Fleming Overseas, Hilclare, Howden, Real Time Control, Stead & Simpson, Wasepool, Wyko.
Finals- Abbey Panels, Alexanders, Countryside Props, Kunick, TVS Entertainment, Whately.

FUTURE DATES

Interims-
Abbey ..... Jan. 12
Barbour Index ..... Jan. 11
GT Venture Inv ..... Feb. 9
Goode Durrant ..... Jan. 13
Hidong Estate ..... Jan. 17
Highland Electronics ..... Jan. 18
Menvier-Swain ..... Jan. 23
Misys ..... Jan. 27
Resort Hotels ..... Jan. 25
Smith (David S) ..... Jan. 16

Finals-
Carron Phoenix ..... Jan. 11
French (Thomas) ..... Jan. 11
Gestetner ..... Jan. 16
Great Western Resources ..... Jan. 13
Hall & Smith ..... Jan. 26
Lookers ..... Jan. 18
St Andrew Trust ..... Jan. 20
Selective Assets Trust ..... Jan. 19
Waverley Cameron ..... Jan. 19

Portrait of an industrial heavyweight

John Plender charts Sir John Cuckney's rise from spy-trainer to challenger for GEC

ONE OF the better reasons for thinking that talk of a contested bid for Britain's General Electric Company is serious is that Sir John Cuckney has lent his name to the endeavour.

He is unquestionably a heavyweight – the man to whom the Whitehall and City establishments naturally turn when an intractable corporate problem needs sorting out.

Also his ability to handle an industrial wrangle with a troublesome political dimension was well demonstrated in the Westland saga, which resulted in the resignations of Mr Michael Heseltine as defence secretary and the then unknighted Mr Leon Brittan from the Department of Trade and Industry. He was noticeably more sure-footed than the politicians in promoting a solution he believed to be in the best interests of the helicopter group's shareholders.

Leading a contested takeover that relies heavily on debt financing would be a new departure for Sir John, whose present chairmanships include 3i, the venture capital group, and Royal Insurance as well as Westland.

He made his reputation in turning round a series of financially troubled companies, starting with the Mersey Docks and Harbour Board in the early 1970s, going on to the Crown Agents in the secondary banking crisis and subsequently to the Port of London Authority, the engineering group John Brown and, most recently, Westland. The success rate has been uniformly impressive.

Nor is Sir John a stranger to contested takeovers.

As chairman of Brooke Bond Group he found himself at the wrong end of a bid from Unilever. While he lost the battle, he won a deal for his shareholders that commanded healthy respect.

His involvement in the present battle over GEC reflects his close association with Lazard Brothers, the merchant bank of which he was a director between 1964 and 1970; Lazard is now acting for Plessey in its fight against the joint assault from GEC and Siemens.

Sir John Cuckney – no stranger to contested bids

Interestingly, GEC was a member of the European consortium which opposed the Westland board's preference for links with United Technologies Corporation, owner of the American Sikorsky helicopter business, and Fiat of Italy. Yet the enthusiasm of GEC's managing director Lord Weinstock for the deal appeared less than wholehearted.

Like Lord Weinstock, whose merger of GEC and AEI in the late 1960s was implemented at a heavy cost in lost jobs, Cuckney has shown ruthlessness in tackling industrial problems.

His very establishment exterior also hides a less orthodox streak. After war service with the Royal Northumberland Fusiliers and the King's African Rifles, he decided not to pursue his pre-war aim to become a doctor and opted for something more esoteric. In the controversial book Spycatcher, ex-MI5 officer Peter Wright refers to "a tough, no-nonsense officer named John Cuckney", who ran the MI5 training programme.

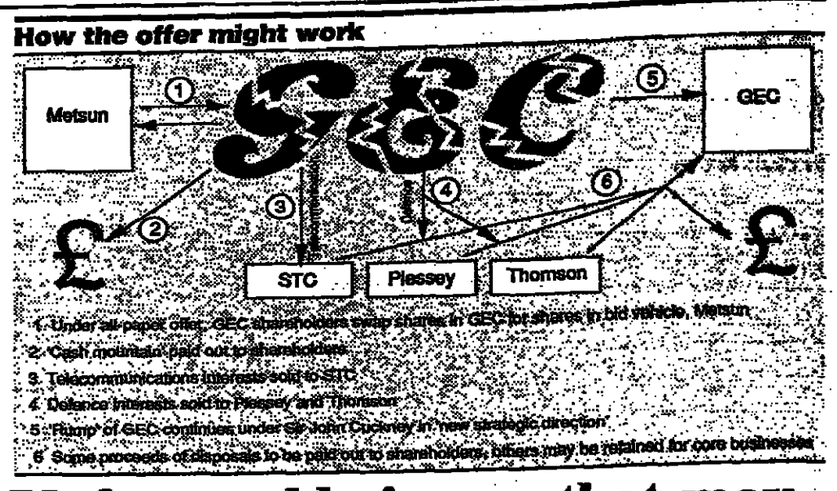
Cuckney was obliged to point out, says Wright, that MI5's work often involved transgressing propriety or the law – for example, in relation to entering premises without warrants or invading an individual's privacy.

Whether Sir John Cuckney is the right man to run GEC is likely to be hotly debated in the City. The big electrical concern is not in need of a conventional turnround: it is rich in cash and extracts a relatively high return from its assets.

The problem is more one of strategy, involving questions of how to increase the group's share of highly competitive world markets. At Westland, Cuckney won the political and financial battles, but did not solve the longer-term problem of the gap in the helicopter firm's order book. Profits have recently been sharply down and further provisions have been made as part of a move to reduce capacity.

Yet Cuckney has always been a dangerous man to underestimate. It is known that Lord Weinstock was seared by the experience of closing down large parts of AEI. However, Cuckney, at 63, shows no loss of enthusiasm for sorting out corporate casualties, having incurred much less opprobrium than Lord Weinstock for the redundancies he has left behind him.

How the offer might work



Unfavourable image that may paint an inaccurate picture

By Nikki Tait

IMAGES OF GEC as one of the City's least favourite companies, sitting on a cash pile which it will not spend, have been much-propagated – and if the consortium bid ever materialises, will doubtless be reasserted.

But, if a straw poll of some of Britain's larger institutional investors yesterday is any guide, this by no means an entirely accurate picture of sentiment in the Square Mile.

Indeed, some fund managers even accept that the City played a part in creating GEC's problems. "The big problem is that everyone invested too much hope in the group," commented one institutional investor, "As a result, a lot of fund managers got a lot of underperformance."

"If you pin the critics down, and ask what the company should have done, people don't seem to come up with very much."

That is not to deny the period of GEC's underperformance. After the steep rise of the early-eighties, the share price did virtually nothing between the start of 1982 and end-1987. In the process, it significantly underperformed the roaring bull market – to the tune of 60 per cent. As one pension fund put it, "It is true that GEC has consistently underperformed, and nobody likes that"

Nevertheless, some institutions certainly feel that matters have been improving of late. "The dividend policy did cause concern," admitted one life company, "but they seem to be becoming more liberal. We've been buyers." Others suggested that the Plessey bid itself had been, in terms of GEC's image, positive.

What few institutional shareholders seem inclined to believe is that the consortium bid will both emerge and pass the Monopolies and Merger Commission hurdle.

That, in turn, provokes a general suspicion that the weekend statement smacked more of good defence work than a serious threat to the company. "I'd think it amazingly unlikely that Plessey will get very far," commented one pension fund manager.

Moreover, if the bid terms do turn out to consist of paper plus cash, the question is whether new management of the GEC assets would be universally welcomed. "It might be difficult to get more out of GEC short-term," commented one fund manager, "and anyway, who is disliked more, Lord Weinstock or Sir John Clark?".

Brussels in important umpiring role in electronics merger war

By William Dawkins in Brussels

EUROPEAN COMMISSION competition experts yesterday confirmed that they expected to be approached shortly by an international syndicate preparing a takeover bid for GEC.

The Brussels authorities are meanwhile in the final stages of preparing a first formal response to the joint bid by GEC and Siemens of West Germany for Plessey. A final Commission decision is expected about four months later, assuming Brussels sticks to the timetable envisaged in its own proposed merger control regulation.

Both cases are expected to be dealt with separately, even though they are part of the same battle, in that the attack on GEC appears to be co-ordinated by Plessey as a defence tactic. The Commission is awaiting notification from Metsun, the company leading the expected bid for GEC, before launching its inevitable inquiry.

Brussels' role in overseeing free competition in the war now being unleashed in the UK electronics industry illustrates dramatically how it is strengthening its influence on the conduct of big European mergers. And judging by the turmoil stirred up by the consortium's plan, this will be one of the most politically charged bids so far to involve EC competition authorities.

Strictly speaking, Brussels has very limited legal powers to intervene in takeover battles until after they have been completed. Yet practically all big European cross-border mergers are now seeking early clearance from the Commission, in recognition of the progress it has made towards getting member states' agreement on a merger control regulation that would allow it to vet, change and even block such deals in advance.

Commission officials expect to give a preliminary response to the GEC/Siemens bid for Plessey by the end of this week or early next. The bidding side notified Brussels last month, followed shortly afterwards by a complaint from Plessey that the bid contravened EC competition law. Brussels is understood to be aiming for a total decision-making time of five months from the date of notification, more or less in line with that achieved by the UK Monopolies and Mergers Commission and Office of Fair Trading combined.

EC competition officials have refused to speculate on what the response will be, beyond pointing out the main options.

This will be one of the most politically charged bids so far to involve EC competition authorities

Both bids will go through the same Commission procedure and invite similar competition questions, even if on a very different scale.

In the absence of a formal merger control law, Brussels examines cross-border takeovers under Article 85 of the Treaty of Rome – the EC's constitution – which outlaws the formation of anti-competitive accords, and Article 86, which bans abuses of dominant positions.

If Brussels feels the GEC/Siemens offer for Plessey does not appear to contravene either of those, the likely next step would be to give preliminary clearance, pending a final decision. In the meantime, the Commission would issue a so-called letter of comfort, stating that it has no objection to the Anglo-German bid going ahead at the partners' own risk.

If, on the other hand, Brussels is unhappy and wants to take a closer look, it will say so and give the reasons for its objection straight away. It could object under Article 85 to the formation of a consortium to mount the bid, which applies in both cases and which the Commission used to block a joint bid for the drinks group Irish Distillers last August. Equally, it could object to the distortion of competition that might happen if the bid succeeded.

Either way, this would still be a preliminary view, open to change later if the bidders could find some way of satisfying the Commission's worries during the final stage of its deliberations. The Commission makes its eventual decision without recourse to member states – one of the few areas where it has real executive power – and can only be overturned by the European Court of Justice.

The likely inclusion of leading US and French electronics companies in the bid for GEC could invite questions about the strategic value of the British company's defence electronics subsidiary, Marconi.

While Mr Jacques Delors, the Commission president, has made no secret of his desire to develop a European defence policy, the draft merger control regulation specifically keeps Brussels out of defence matters. It stipulates that national governments are free to influence mergers to preserve their defence industries – though the Commission would have to be satisfied that any UK government decision to block a bid like this one was legitimately based on national defence.

French bank declines but Thomson is interested

By George Graham in Paris

SOCIETE GENERALE, the French commercial bank which itself has recently been at the centre of a tussle for control of its capital, refused to take part in the bid for GEC.

The bank was invited by Barclays, UK clearing bank, at 7pm last Friday to take part in financing the GEC bid which has been proposed by Lazard Brothers, the merchant bank.

The approach to Société Générale is believed to have tipped off GEC about Lazard's intentions. In London, the UK company said that month-old rumours of a possible bid for it had been confirmed by a French source on Friday.

The London office of Société Générale referred the question to its Paris headquarters, telling Barclays that there could be a conflict of interest because of its close links with Compagnie Générale d'Electricité. CGE is the French telecommunications and electrical engineering group which announced last month the merger of its power generating and heavy engineering activities with those of GEC.

Société Générale owns 7.8 per cent of CGE, which in turn took a 2 per cent stake in the bank on its privatisation in June 1987.

The bank's Paris management turned down Barclays' proposal at 9pm on Friday.

CGE said yesterday that it was certainly not a potential partner in the Metsun bid, given its recent agreement with GEC, which will create a power generating equipment company with sales of around FFr 43bn (£3.9bn).

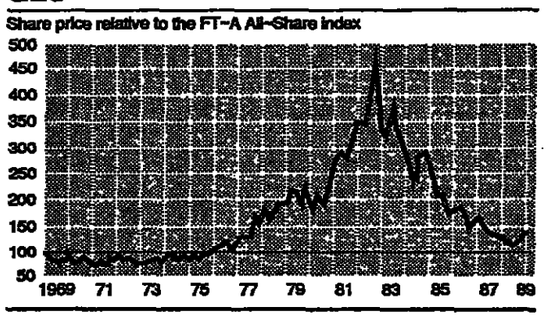
Thomson, the French state-owned defence and consumer electronics group, yesterday repeated that it was examining the bid with interest. No decision is expected before the weekend, although French electronics experts said Thomson was strongly tempted by the possibility of taking part.

Mr Alain Gomez, Thomson's chairman, has repeatedly sought over the past year to strengthen his group's defence electronics activities, trying unsuccessfully to buy, for example, the oceanics division of Allied Signal.

He has, however, favoured joint ventures. He takes the view that since European defence purchasers tend to buy either from their domestic defence industry or from the US, but not from other European suppliers, it is necessary to create a joint company that is considered by both of its parent countries as purely domestic, even if one partner has the majority.

GEC

Share price relative to the FT-A All-Share index



Siemens dismisses bid rumours

By Haig Simonian in Frankfurt

LITTLE HAS changed in the bid for Plessey, judging from official reaction at Siemens's headquarters in Munich yesterday. The German half of the bidding partnership continues its low-key approach to the offer, leaving its merchant bank and UK partner to do the talking.

Speculation about a possible takeover of GEC itself is politely dismissed, with attention drawn to the vagueness of the current proposals. "We don't know who's in it apart from Sir John Nott and Sir John Cuckney. There's obviously something going on, but we don't know what," said a Siemens official yesterday.

Mounting a bid for GEC was a further "diversionary tactic" by Plessey's management in line with a string of legal and other actions already taken, he added. The plan was "very short-sighted" and certainly not in the interests of Plessey's shareholders.

Thus suggestions that Siemens itself might be interested in taking a bite at GEC are, officially, treated as barely worth discussion. "We will continue to work with GEC. The bid makes no change to our plans and this week will be decisive in our offer for Plessey," the company said.

The muted reaction is hardly surprising. In contrast to the US and UK, hostile takeovers remain unknown in Germany, and Siemens may have been taken by surprise by the latest twist, towards which it seems to be showing little concern.

Similarly, talk of a reaction by Siemens against the banks supporting the anti-GEC consortium is premature to say the least.

With over DM20bn (£6.2bn) in liquidity – albeit about half in the form of pension contributions – Siemens has long been one of Germany's most cash-rich companies. Unlike many, however, it has long outgrown the "Hausbank" relationship, whereby a company has an especially close link with one bank in particular.

As a leading multinational, Siemens does business with a galaxy of banks around the world. While German banks have become steadily more international in their activities in recent years – leading to potential involvement in takeover financing, as seen in Dresdner Bank's role in the recent bid for Consolidated Gold Fields – such participation remains the exception rather than the rule.

So while Siemens could decide to take its business away from the banks financing the GEC takeover consortium, that is unlikely to be a particularly strong deterrent to those involved if they are not German banks. And German banks, failing a close involvement with one of the members of the bidding consortium, are unlikely to want to feature in it in the first place.

Size of financing not unusual

By Stephen Fidler, Euromarkets Correspondent

ALTHOUGH LARGE, the size of Barclays' proposed £3.5bn financing to aid a bid for GEC is far from unprecedented.

In the US, banks are providing more than $13bn (£7.34bn) to help finance the $25bn buyout of RJR Nabisco by Kohlberg, Kravis, Roberts. In October, Grand Metropolitan of the UK raised a $6bn three-year credit to finance its hostile bid for US food company Pillsbury.

Nevertheless, bankers consider that the financing of a bid for GEC could meet obstacles and would have to be generously priced to counteract the potential disadvantages to participating banks.

The risk of destroying a banking relationship with such an important UK company will deter many banks from the joining the financing. This deterrent will be magnified if bankers regard the bid either as a desperate attempt to spoil the GEC/Siemens bid for Plessey, or as unlikely to win the approval of the Monopolies and Mergers Commission.

If banks hold the view that any bid would fail, they will demand significant fees at the front-end. In this case too, most of Barclays' partners in the underwriting group will be foreign banks.

"The credit will have to be priced to appeal to the greed factor," said one banker experienced in loan syndications. In the RJR Nabisco deal unusually high interest margins of up to 3 per cent and high front-end fees are payable to banks.

Political pressures mount for a reference

By Philip Stephens, Political Editor

THE CONVICTION was growing in Whitehall yesterday that a bid for GEC by the Plessey consortium would leave the Government with little option but to order a Monopolies and Mergers Commission investigation.

The takeover battle meanwhile promises to offer an intriguing insight into the complex relationships between key figures in the industry and the Conservative Party.

At least four ex-cabinet ministers will be involved. Lord Prior, the GEC chairman and former Northern Ireland Secretary, and Sir John Nott, the chairman of Lazards and a former defence secretary, are on opposite sides.

Mr Michael Heseltine, who resigned as defence secretary in 1986 over the Westland affair, has led calls for an MMC investigation. Sir Leon Brittan, who was also forced to resign during Westland, will be responsible for the European Commission's reaction to any bid.

Both companies meanwhile are being advised by public relations consultants with close links to the Conservatives – GEC by Mr Tim Bell and Plessey by Sir Gordon Reece.

As MPs of all parties continue to voice concern about a possible break-up of GEC, Whitehall insiders believe that the commercial and political complexities all point to an MMC reference if a firm bid is made.

Ministers are aware that GEC's size, its influence in scores of parliamentary constituencies, its key role in defence contracts, and sensitivities about foreign control will put them under enormous political pressure. Memories of the threat to the Government posed by Westland will be fresh in their minds.

Sir John Nott (left) and Lord Prior, two of the four Conservative ex-cabinet ministers involved, are in opposing camps

Michael Heseltine (left) and Sir Leon Brittan, key players in the Westland affair, which pales beside the implications for GEC

Their precise strategy will depend crucially on the shape of an eventual bid and on the nature – and nationality – of the participants.

Lord Young, the trade and industry secretary, has adopted an aggressively non-interventionist approach to takeovers, preferring to limit MMC investigations to competition issues. A judgment on a bid for GEC would also be complicated by the fact that he is due to receive within the next few days the Office of Fair Trading's report on the the GEC/Siemens bid for Plessey.

Whitehall insiders, however, believe that Lord Young's free-market instincts will not prevent a reference. "It seems inconceivable that a takeover of GEC would not raise serious competition issues," one commented yesterday.

Even if the OFT came to the "extraordinary" judgment that there was no threat to competition, Lord Young would face intense pressures to refer it on the grounds of national defence, another commented.

The Government meanwhile will be carefully monitoring the views of its own backbenchers to avoid a repetition of the damaging splits which surfaced during the Westland affair.

Along with Mr Heseltine, Mr Kenneth Warren, the Conservative chairman of the Commons Trade and Industry Committee, has indicated that he expects a reference. A number of other Tory backbenchers with large GEC plants in their constituencies have also expressed unease.

GEC is not, however, guaranteed uncritical support. Its lacklustre performance over the past few years has persuaded many MPs on both sides that it is badly in need of a shake-up. Their reactions may also depend on the extent to which Plessey can persuade them that key defence capabilities would remain under British control if GEC were taken over.

Mr Bryan Gould, Labour's trade and industry spokesman, has also made it clear that his call for a reference does not imply that the opposition is persuaded that the industry does not need restructuring.

And if the parallels with Westland, accentuated by the involvement of Sir John Cuckney, the Westland chairman, are obvious, so too are the differences.

The industrial, defence and employment implications of control of what is a relatively small helicopter company pale into insignificance against those of a change in ownership in Britain's largest manufacturing company.

As yet at least, there are no obvious differences between key ministers on how a bid should be handled. Though there might well be tensions between the Ministry of Defence and the Department of Trade and Industry, Mr George Younger, the defence secretary, is seen as a far less volatile character than Mr Heseltine.

So if the battle holds the clear risk of serious political problems for the Government, they are not yet at least inevitable.

Unions worried over extent of job losses in event of break-up

By Michael Smith, Labour Staff

THE EMERGENCE of a GEC break-up proposal is likely to push trade unions into supporting the GEC/Siemens bid for Plessey, a union leader said yesterday.

Mr Fred Howell, national officer (engineering) at the TGWU general workers' union, said that job losses caused by a takeover of Plessey would be minor compared with those which would follow a break-up of GEC.

Unions were also concerned that Britain should keep as much control as possible over its electronics industry.

In common with many other union leaders, Mr Howell called for the financial manoeuvrings surrounding GEC and Plessey to be referred to the Monopolies and Mergers Commission.

Mr John Edmonds, general secretary of the GMB general workers' union, condemned the "Dallas-style antics surrounding the possible bid for GEC". Backing demands for a reference to the MMC, he said that decisions on issues as important as the future of British electronics should not be taken merely on the basis of market conditions at the beginning of 1989.

Mr Edmonds said there ought to be a proper examination of the rationale behind the various proposals in the sector. The issue should not be decided by the shareholders alone and both the Government and workers of the company had the right to have some influence on the outcome.

British industry may be remoulded at the whim of financiers rather than for reasons of industrial logic

Mr Larry Brooke, national officer (electronics) of the MSF general technical union, said he was horrified at the prospect of a break-up of GEC. There was a danger that, in the run-up to the 1992 liberalisation of the European market, British industry would be remoulded at the whim of financiers rather than for reasons of industrial logic, he said.

The MSF plans to take up the issue with Euro-MPs. It is pressing for the drawing up of a European-wide strategic plan for the electronics industry.

Trade union representatives are meeting Lord Weinstock, GEC managing director, and senior Siemens officials on Thursday and are planning further talks with Sir John Clark, chief executive of Plessey.

Although they have remained neutral in public over the issue of the GEC/Siemens bid for Plessey, their attitude towards such a move has been far more positive than it was three years ago when GEC launched its first takeover bid.

This is partly because of GEC's indication that it would keep the operations intact. Unions also believe there is an inevitability of restructuring in the European electronics industry and would prefer GEC and Siemens as the owner of Plessey rather than a wholly foreign group.

UK COMPANY NEWS

Rodamco casts doubts on Hammerson asset value

By Nikki Tait

RODAMCO, the Dutch property company which is waging a £1.3bn hostile bid for Hammerson, UK property group, yesterday claimed that Hammerson would need to produce a property revaluation showing net assets of over £13 per share if it wished to support its current market price.

Such a level, the Dutch pointed out, would be double the figure published for 1987. In the wake of the bid, Hammerson has conducted a full external valuation of its portfolio, and is due to publish the results by this Friday.

In a letter to Hammerson shareholders, Rodamco argues that since its offer was announced in late-November, higher interest rates have tended to depress UK property company shares, and that the outlook for City and UK retail property has become more uncertain.

Rodamco arrives at the figure of £13 by calculating the weighted average discount to estimated net asset value of Britain's four largest property companies – MEPC, British Land, Land Securities and Slough Estates – at 28.8 per cent, and applying this to the current Hammerson market price.

Yesterday, Hammerson pointed out that some of those companies had been mooted as possible rival bidders for Hammerson, in turn arguably increasing their discounts. The only comment on the £13 figure was that "if Rodamco cares to offer us that, we'll consider it."

Elsewhere in its letter, Rodamco continues the debate over net asset performance of the two companies, arguing that "on a like for like sterling basis a UK investor would have seen the underlying net asset value of an investment in Rodamco increase by more than 75 per cent over the last four years.

"By contrast the growth in underlying net asset value of an investment in Hammerson was only 25 per cent." Hammerson, however, counters that translating the Rodamco figures into sterling terms produces an unfair comparison.

The Dutch bidder also repeats its criticisms of Hammerson directors' salary increases and of certain share sales by directors. That, however, provoked Mr John Parry, Hammerson managing director, to retort that the aggressor was "scraping the barrel".

Hammerson A shares eased 5p to 926p yesterday.

Raising the value of the company's assets

Paul Cheeseright on the role of the property valuer in Hammerson's bid defence

PROPERTY VALUERS have become the key players in the takeover contest for Hammerson. Their assessment of the Hammerson portfolio will establish whether the Rodamco offer, in its existing or any revised form, is likely to succeed.

Rodamco said that Richard Ellis and Hillier Parker, chartered surveyors, had given it an updated valuation of the Hammerson portfolio although it did not say what it was. Jones Lang Wootton, another major London chartered surveyor, has been valuing the portfolio for Hammerson and its figures will probably be published on Thursday.

These valuations come after a period of deepening controversy in the property industry about the scope of valuations.

Eyebrows were raised in 1987 about the disparity in different valuations done of the Oldham Estate when MEPC was bidding for it. They were raised even higher when Mountleigh was prepared to pay substantially more than the valuation price for the Pension Fund Property Unit Trust.

More recently the Ministry of Defence ran into sharp criticism of its sale of Royal Ordnance to British Aerospace because it did not take into account the potential development value of some Royal Ordnance sites.

Against this background the assets valuation standards committee of the Royal Institution of Chartered Surveyors has been amplifying the guidelines designed to provide a framework for the valuers.

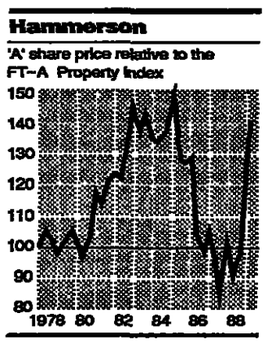
There is a certain piquancy about all this as far as Hammerson is concerned. For years Hammerson, under the control of Mr Sydney Mason, has kept its own published property valuations to a minimum. Its whole approach to valuations was conservative: they were not used as a means of enticing the share price upwards.

The attitude was that the main object of the company was to provide a steady flow of increasing earnings. If the earnings could increase then the asset values would look after themselves. This worked until Rodamco appeared and forced Hammerson into the traditional defensive posture of the besieged company: the bid is inadequate because the value of the assets is much more.

Rodamco is now trying to scotch this argument before it is fully deployed by contending that the total value of the Hammerson portfolio will need to exceed £13 a share to justify the market price of Hammerson shares – a market price spurred by the Rodamco offer.

Because Hammerson in the past has played down asset valuations it is not easy to predict what Jones Lang Wootton will present, and brokers in the City have been playing with figures between 800p and £11 a share.

Sydney Mason: kept published property values to a minimum



There are difficulties here because much will depend on the way Jones Lang Wootton has been instructed to proceed with the valuation.

The RICS guidelines hitherto have been based on the "open market" valuation where the worth put on a property is established by reference to recent transactions for similar types of property in the same district. The sum total of the individual property values is put together and then forms the basis for the net asset value of each share in a property company.

But the guidelines have not addressed how there might be a premium on the value of the portfolio simply because it is a portfolio and would be difficult to put together again. Neither have they addressed the extra value that might accrue because there is a special interest from a purchaser. Nor have they dealt with potential development value.

The amplified RICS guidelines will address these problems and should be published at the end of the month. If valuers take into account the special factors which give individual portfolios a value above the "open market" level and this value becomes the fulcrum of the bid contest, then the shareholders of a defending company are placed in a stronger position. They stand a better chance of extracting from a bidder some of the value which the bidder wants to buy as cheaply as possible.

London Shop, in its running defence against a the bid from Peel Holdings, anticipated the RICS publication by the declaration of two asset valuations. One was done in the orthodox way as if ownership remained the same. Another was done to reflect what the valuers – Healey and Baker – saw as the cost of assembling the portfolio and as a reflection of the development potential within it. The second was 10 per cent higher than the first.

It is not known whether Hammerson will go down the London Shop route and seek to place a premium on what it argues is the unique international quality of its portfolio. Even if it does, there will still be room for argument.

Valuations give a capital value which is computed from rental levels. But the valuers feed into their calculations market factors, the definition of which demand a degree of subjective judgment. It is the element of subjectivity in the individual valuer's approach, however skilful that may be, which makes property valuation less precise than a science.

Peel buys London Shop shares at 340p and lifts offer to same

By Paul Cheeseright, Property Correspondent

PEEL HOLDINGS yesterday stepped up its efforts to acquire London Shop by moving into the market to buy shares at 340p and then increasing its general offer to that price. The offer values London Shop at £306m.

London and Property Trust, the private company controlled by Mr Berish Berger, also picked up what were said to be "a few shares" in the market and will decide today whether to make a formal bid for London Shop.

Following yesterday's buying, Peel holds 33 per cent and London and Property Trust holds about 2 per cent of the London Shop equity.

Mr John Bushell, chairman of London Shop, dismissed the latest Peel offer. Noting that the underlying value of London Shop shares is 390p, he said, "it is just not enough."

Peel, however, contests this valuation, which arises from an assessment of the open market value of the London Shop portfolio plus a premium of 10 per cent to reflect the problems of assembling the portfolio and its development possibilities.

The open market valuation of its portfolio gives London Shop a net asset value of 358p. Working from this figure, Mr Peter Scott, Peel's managing director, said that after making allowance for a 5 per cent discount to cover tax liabilities on the sale of housing land and trading properties, 340p was a fair offer.

It is Peel's third and final offer – the London Shop defence has pushed Peel into raising its price twice, from 300p a share. But Peel is retaining the right to "revise or increase" its offer "if a competitive situation arises."

Since London Shop published its property revaluation just before Christmas, a new offer from Peel had seemed inevitable. The offer is pitched at roughly the same discount to the net asset value, from the open market property valuation, that won Peachey Property for Wereldehave last year.

Notwithstanding the possibility of a move from Mr Berger, the key factor for London Shop in its defence is whether shareholders will accept the pioneering use of the revised form of property valuation.

On the market yesterday, London Shop shares gained 13p to 343p and those of Peel rose 5p to 290p.

Tomkins rises 14% to £19m despite loss at US offshoot

By Ray Bashford

TOMKINS, industrial holding company, lifted pre-tax profits by 14 per cent during the six months to October 31, despite a loss at Murray Ohio, the US lawn mower and bicyle group acquired last year.

Pre-tax profits rose from £16.81m to £19.15m, following a 32 per cent increase in turnover from £142.71m to £188.88m.

Mr Greg Hutchings, chief executive, said the £1.9m loss at Murray Ohio was due to "seasonal factors" and was expected when the $224m takeover was completed last August.

The Tennessee-based company is responding to an overhaul and is expected to return pre-tax profits of about $23m for the full year as it benefits from the traditionally stronger sales season.

Tomkins has reduced the Murray Ohio workforce and tightened financial controls, including disposing of its jet and helicopter, as part of the overhaul.

The other major US subsidiary, Smith & Wesson, which was taken over in May 1987 for $112m, was experiencing difficulties in its revolver operations, in line with the overall market, Mr Hutchings said. However, these were being offset partly by higher sales in the smaller automatic pistols business.

A plan to market the Smith & Wesson name through merchandising deals is being considered as a means of maximising returns from the acquisition.

Murray Ohio and Smith & Wesson are part of the professional/consumer products division which was by far the weakest of the four sectors in the half-year.

Despite more than doubled turnover, trading profits within the division were only 6 per cent higher at £3.83m, indicating that the UK operations, including the professional grass cutting business, had performed below expectations.

The services to industry division was a strong performer, boosting trading profits 50 per cent to £4.47m on turnover up 8 per cent to £54.58m, as the fastener subsidiaries made strong contributions.

Turnover in the building products division was 7 per cent higher at £87.86m and trading profits were 16 per cent up at £5.79m, while in industrial products, turnover grew by 9 per cent to £25.32m to deliver a 42 per cent increase in trading profits to £2.5m.

The interim dividend has been increased from 1.32p to 2p.

● COMMENT

Barring an unexpected and major set-back, Tomkins has set the stage to maintain its record for profit growth in the year to April 30. However, there is scope for reservations about how it can be sustained during the following 12 months. During the bull market the company could rely on a steady diet of acquisitions to provide energy and augment organic growth. But as Murray Ohio is already giving a small dose of indigestion and the stock market provides no encouragement to funding through issues, the acquisitions trail looks firmly blocked for the time being. The company should also be looking with some hestitation at the direction that the building sector is heading in the wake of the interest rate increases, especially as it was the biggest contributor to trading profits during the first half. Directors were hesitant about giving a detailed break-down of the professional/consumer products division, raising mild concern among analysts about certain areas within the sector. Pre-tax profits for the year are set to reach £62.5m, placing the company on a prospective p/e of 8.9p.

Two divisions prominent in Carclo surge

By Vanessa Houlder

CARCLO ENGINEERING Group, the diversified engineering company, yesterday announced a 22 per cent increase in pre-tax profits from £3.6m to £4.4m for the six months to September 30. Turnover improved by 7 per cent to £52.5m (£48.9m).

Mr John Ewart, chairman, said that demand continued to be high and was unaffected as yet by the high rate of interest and sterling. However, there had been a downturn in sales to machinery manufacturers who supply textile mills, he said. The current order book, on an annualised basis, stood at £123m compared with £111m last year.

This result was achieved by strong performances from the Woodhead car component divisions and the card clothing division - which makes teeth for the carding of fibres before spinning. Profits in these divisions increased by 35 per cent to £1.7m and by 53 per cent to £1.7m, respectively.

However, profits in the wire division declined from £0.9, to £0.7m after the Bruntons' wire division posted a loss. The problems at Bruntons', which is now trading profitably, stemmed from a delay in obtaining replacement parts.

In the general engineering division, profits were flat at £0.9m although turnover rose by 15 per cent to £7.5m. Mr Ewart said that margins were cut by the rise in copper prices and it was a good result given that last year's performance was exceptional.

Capital spending in the first half year totalled £3.4m. Mr Ewart said that he envisaged that this unusually high level of expenditure would continue in the second half year. There was an extraordinary item of £213,000, due to the loss on the disposal of Amortex, a French subsidiary company.

Earnings per share increased by 35 per cent to 7.3p (5.4p). An interim dividend of 1.35p (1.1p) per share was declared - an increase of 22.7 per cent.

●COMMENT

In recent years. Carclo has clocked up some impressive growth and its robust order book suggests that, for this year at least, this state of affairs will continue. But despite that - and an optimistic prognosis for the troublesome Bruntons' division - there are good reasons to be cautious. Almost a third of sales depend on the textile industry and, notwithstanding its good international spread, it seems likely to be affected by the dismal state of the UK textile trade. Another, somewhat superficial factor, that may affect profits next year is the accounting change that reduces the benefit of a pension holiday by spreading it over a longer period. For this year, analysts expect pre-tax profits of about £10m, which puts the shares, up 1p to 161p, on a prospective p/e ratio of 10.

Ellis & Everard rises to £5m

By Vanessa Houlder

ELLIS & EVERARD, chemicals distributor, increased pre-tax profits 23 per cent to £5.04m (£4.10m) for the six months to October 31. Turnover increased to £89.9m (£76.54m).

Mr Simon Everard, chairman, said the company had enjoyed a very high level of activity in its main markets. He was confident that the outcome for the full year would be very acceptable.

Half of the 17 per cent increase in overall sales was attributed to price rises, while increased market share and acquisitions accounted for 3 per cent and 6 per cent respectively. UK and Irish sales increased by 22 per cent and US sales in dollars by 16 per cent. This was reduced to 8 per cent on conversion to sterling.

Organic growth accounted for nearly 60 per cent of the profits rise. Recent acquisitions Certikin (UK), Chemplus and Cotters (Ireland) and Midkem (UK) had all made useful initial contributions.

The most recent acquisitions, United and Pioneer, doubled sales in the US, but the result will not be consolidated until the second half. By the end of the year, US sales – now responsible for a third of turnover – are expected to account for half the total.

Capital spending totalled £8m. Earnings rose to 8p (6.8p), reflecting the 1 for 2 rights issue last October. The interim dividend was 2p (1.9p).

● COMMENT

In the months since its £25.5m rights issue, Ellis & Everard's share price has gone precisely nowhere. But the favourable reviews of last September's United Chemicals acquisition suggests that the company is still finding a place on brokers' recommendations lists. The purchase doubled the size of its US operations, making it the sixth largest chemicals distributor in the US. That market is seen as being rich with promise, as its lower margins are compensated by larger volumes and a more pre-eminent role for distributors. Closer to home, the reorganisation of its European structure should help it continue to make productivity gains and margin improvements in the UK. A further fillip to the shares is given by the perception that the company is somewhat cushioned if it comes to an economic downturn. That is down to its enhanced geographical spread and to the tendency of customers to buy smaller quantities from a distributor rather than directly from the manufacturer. Analysts expect pre-tax profits of £11m for the full year, which puts the shares, up 3p to 168p, on an undemanding rating of 11.

ML advances 62% to £2.73m

By Clare Pearson

A GOOD all-round performance at ML Holdings, aerospace, defence and electrical engineering group, meant pre-tax profits rose 62 per cent to £2.73m in the half-year to end-September.

Turnover was £49.02m (£35.28m). Earnings per share advanced just 10 per cent to 3.6p (3.27p), held back by the £13m rights issue a year ago. But the interim dividend is lifted 20 per cent to 0.72p (0.6p).

Stripping out contributions from the two acquisitions, Gothic Crellon, electronics components distributor, and Slingsby Engineering, underlying growth was 20 per cent. Since the period-end, ML has paid £2.5m for Lifeguard Equipment, protective clothing and life-saving equipment concern.

ML Aviation has won the contract to design and supply the weapon system for an export version of the Shorts Tucano training aircraft. The initial twelve-month contract is important to the company marking its first as a prime weapon system contractor.

Current orders from the RAF and Saudi Arabia for JP233 bomb dispensers, the division's core contract, now cover about a further 18 months' work. But there will eventually be benefits from last summer's Saudi arms deal.

Mr Peter Pollock, chief executive, said he expected requests for bids on the weapon systems for Eurofighter, in which ML is involved through its membership of the ACMA international consortium, to start coming through in the autumn.

ML Engineering, the signalling business, is enjoying a more buoyant business than the depressed levels seen in the second half of last year. The company, which is bidding for the main signalling contract for the Channel Tunnel, is a supplier in the Waterloo Area Resignalling Scheme, which includes Clapham Junction. Mr Pollock said he foresaw no adverse effects from last month's tragedy as British Rail's internal enquiry had indicated this was caused by its own faulty installation.

As regards acquisitions, Gothic Crellon was described as having made a "sound start" whilst Slingsby Engineering improved sharply from pre-acquisition levels.

● COMMENT

There were no surprises at all in these figures. ML continues to improve margins (from 4.8 per cent at the pre-tax level at the interim stage last time) and to make sensible-looking acquisitions, reducing its reliance on defence activities – although that could quickly change depending on the outcome of the various contracts for which it is bidding. Meanwhile, signalling – the dull spot of 1986-87, since it gained no new orders during much of the period – has perked up and is thought to stand a good chance of getting the Channel Tunnel contract. Overall, ML, on track to make about £8.25m this year, looks solid on a longer-term view. But earnings growth for the moment is slow and the shares, which stand on a prospective p/e of about 9.5, are likely to remain dull.

Honorbilt at £0.37m as acquisitions give impetus

ACQUISITIONS COMPLETED during the year to April 30 1988 helped Honorbilt Group, the men's clothing importer and manufacturer traded on the Third Market, almost quadruple profits in the six months to October 31.

The pre-tax profit figure leapt from £96,000 to £372,000 and was struck on turnover up 67 per cent to £10.15m (£6.09m). Tax was £112,000 (£29,000) and earnings advanced sharply from 0.17p to 0.63p per 5p share.

The comparative figures for the six months to October 31 1987 have been restated as if Honorbilt-Carter (formerly Honorbilt Holdings) and Rhythmic Company, Hong Kong-based manufacturer of men and boys clothing acquired for £4.2m in shares in April 1988, had been owned throughout the period. Other acquisitions in the year to April included Emperor Fashions, Ambiance Clothing and Collage of London.

The directors said that these companies had been fully integrated and the benefits were now being seen. More recently, Honorbilt has acquired A. Ziggles, a supplier of boys school trousers, for £700,000 cash and Gallini Group, mens and ladies leisurewear manufacturer, for an initial £2.01m in shares. The acquisitions mean that the group has entered the second half with turnover levels significantly higher than last time.

All-round growth for the Alliance & Leicester

By David Barchard

ALLIANCE & LEICESTER, the fifth largest UK building society, made pre-tax profits of £140m in 1988, an increase of 33 per cent over 1987. The result was described by Mr Scott Durward, the society's chief executive, as "extraordinarily good."

During the year the society's assets grew by 23 per cent to £11.4bn and mortgage lending rose to £3.18bn, an increase of 57 per cent on 1987. Income from non-mortgage activities such as insurance commissions and travellers cheques rose by 28 per cent to £42m.

Though 1988 was a good year for all the major building societies with their mortgage and savings business booming, Mr Durward said yesterday that that Alliance & Leicester's performance was likely to be among the strongest in the industry. "We believe that this combination of growth in profits, assets and financial strength is unlikely to be matched by other major societies", he said.

The society's cost income ratio – management expenses as a per cent of net total income – fell from just under 49 per cent in 1987 to 46 per cent.

Mr Durward said that Alliance & Leicester would continue to concentrate on its core business of mortgage lending this year and had no plans at present to follow the other large societies by offering customers a cheque book current account.

He also said that he believed building societies would have to think seriously in the next two or three years about conversion into limited companies through Stock Exchange flotation. "It is a decision our members will have to take", he added.

COMPANY NEWS IN BRIEF

AB ELECTRONIC Products Group has bought Eltec Services, microcomputer distributor, for a maximum £3.3m including an initial cash payment of £600,000 and further profit-related payments in shares. Eltec made net profits of £53,000 on sales of about £15m in year to October 31 1988. Net assets at that date were £290,000.

BOOTS has received valid acceptances of its offer for Underwoods in respect of 25.2m shares (92.66 per cent). Holders of 17.06m shares accepted the cash alternative and the loan note alternative was accepted by holders of 8.14m shares. The offer has become unconditional.

CATTLE'S (HOLDINGS) has acquired through its subsidiary Shopacheck Financial Services, Morville Credit Finance for £1.22m cash. Morville made £241,000 pre-tax in the year to April 30 1988, assets at that date stood at £569,753.

CHARTERHALL has received acceptances in respect of 10.12m Corah ordinary shares. Added to shares purchased by Charterhall this brought Charterhall's holding to 19.99m (56.9 per cent) at January 6. In addition there were 607,931 ordinary shares over which valid cover was not yet available. The offer has been declared unconditional and remains open until January 20.

EXTERNAL INVESTMENT Trust: in six months to September 30, diluted net asset value fell to 756.7p (904.7p). Earnings per £1 share 13.49p (14.26p). Interim dividend lifted to 10p (9p).

J JARVIS Holdings has exchanged contracts for the disposal of its freehold interest in Newsweek House, Slough, for £3.3m cash. Proceeds will be reinvested in construction and investment properties and used to reduce borrowings.

MOWLEM (JOHN) is acquiring J W Raylor and Co (Engineers), which makes, repairs and rents non-mechanical plant for the scaffolding and formwork industries. The consideration of £2.6m is to be satisfied by shares to the value of £740,012 and the rest in cash.

MY HOLDINGS has bought the plant and equipment of Bantel, maker of children's tricycles and scooters, for £171,000 cash.

SAATCHI & SAATCHI, on behalf of BSB Europe, is acquiring Adaptus International, recently incorporated in Norway and consisting of four advertising agencies, for an initial NKr 35m (£2.96m) with further profit-related payments. The acquisition agreement is conditional on the receipt of regulatory consent from the relevant Swedish authorities.

SHEAFBANK PROPERTY Trust (property investment and development): Net income £723,539 (£326,320) and pre-tax profits £434,175 (£125,713) for six months to end-September 1988. Interim dividend 0.1p payable from earnings of 1.87p (0.51p) per 10p share.

YEOMAN INVESTMENT TRUST recommended offer for CLF Holdings has been declared unconditional following the receipt of acceptances covering 92.7 per cent of the ordinary shares and 90.9 per cent of the convertible shares. Both categories of shares will be suspended until dealings start in the CLF Yeoman stock units.

ALLIED IRISH Banks' tender offer to purchase all the outstanding shares of common stock of First Maryland Bancorp expired on January 6 . At that date AIB had accepted for payment all of the 8.1m shares of FMB common stock. After such purchase AIB beneficially owns some 95% of the FMB common stock.

EMAP Exhibitions , part of the EMAP Group, has acquired Raymond Gubbay, the concerts and exhibitions company.

COMMODITIES AND AGRICULTURE

Stocks surge sends nickel price tumbling

By Kenneth Gooding, Mining Correspondent

AN UNEXPECTED and unprecedented increase in London Metal Exchange stocks sent the nickel *price tumbling* yesterday.

"The stock increase put tremendous pressure on *the* market, scared a lot of people and we saw some panic selling," said Mr Robin Bhar, analyst with Rudolph Wolff, the London metal broker.

The LME reported that its nickel stocks had jumped from *2,544 tonnes to 6,768 tonnes*, the highest level for 18 months. This triggered a swift fall in the three-months price to $14,500 a tonne, down $2,000 from Friday's close.

Mr Jim Lennon, metals analyst with Shearson Lehman Hutton, the financial services group, said the most likely reason for the unusual stock *increase was that large Conti*nental European merchants, which had been taking nickel off the LME and hiding it away to exaggerate shortages, decided to dump it all back last week "to achieve the desired impact and make a big profit."

He pointed out that the nickel market had been manipulated before. In February last year the LME called an extraordinary meeting to prevent a crisis in the nickel contract, suspended the first of the afternoon's official trading ses*sions and urged member com*panies to lend metal to the market, that is to sell cash metal and buy forward.

LME WAREHOUSE STOCKS (Change during week ended last Friday) tonnes		
Aluminium high grade	−3,975	to 132,750
Copper Grade A	+2,975	to 67,950
Lead	-2,000	to 59,500
Nickel	+4,224	to 6,768
Zinc	+4,300	to 44,775
Tin	− 185	to 5,590
Silver (oz).	− 194,000	to 14,772,000

A subsequent squeeze sent the nickel cash price briefly to $23,900 a tonne or $10.39 a lb on March 28 – the highest price ever paid for any metal on the LME.

Both analysts also pointed out there were other rumours yesterday: for example, that the nickel originally *had* been destined for Chinese customers who decided not to take delivery or that merchants might have temporarily put the metal *into LME* warehouses

Mr Lennon suggested that the impact of the sudden stock *rise would be short-lived* because there was still a fundamental shortage of nickel supply and stocks were very low. He said he was sticking to his recent forecast that LME cash nickel prices are likely *to be* between $8 and $10 a lb ($17,632 and $22,040 *a tonne*) in the first quarter of 1989.

By the close yesterday the cash nickel price had recovered to $16,550 a tonne ($7.50 a lb), down $1,200 or 54 cents. Three-month nickel ended $950 a tonne down at $15,550.

Tin compromise likely

***By Wong Sulong** in Kuala Lumpur*

THE EXECUTIVE committee of the Association of Tin Producing Countries, meeting in Kuala Lumpur today, is likely to accede to calls for higher export quotas.

"It's *a question* of having a supply rationalisation scheme that is workable, but will not deplete the overhang as fast as we want, or no SRS at all," said a Malaysian tin official.

The association has implemented the scheme with a rea*sonable degree of success for* two years, and member countries' mining ministers, at a meeting last September in Abuja, the Nigerian capital, agreed on a third year of export curbs, starting in March. They left export allocations to the association's executive committee.

Malaysia would like to see the quota maintained at the second year rate of 101,600 *tonnes, but other members* are demanding increases to match their production, partly because of higher prices, and partly because of greatly increased exports by Brazil and China, which are not members of the association but have observer status at its meetings.

Currently, there is an esti*mated surplus of 44,000 tonnes* of the metal on the market, and the association had hoped another year of export restraint would cut the overhang to a near-normal 24,000 tonnes. However, increased exports by Brazil and China have *complicated* the picture.

So the executive committee is now expected to allow for an increase of around 10,000 tonnes for its members.

This increase, with those of Brazil and China, means the overhang is likely to be cut by only about 5,000 tonnes over the next 12 months.

Tin is currently selling in Malaysia market at just below 20 ringgit a kilogram (£4,130 a tonne). ATPC *officials say the* price should be 22 to 24 ringgit if the overhang could be reduced to 20,000 tonnes.

Threat of renewed mine strife in Peru

By Veronica Barufatti in Lima

THE 14,000 miners of Centromin, the Peruvian state mining company, are threatening to come out on strike this month if wages are not adjusted to meet the rising *cost of the family grocery* basket.

Mr Eliseo Macha Bruno, general-secretary of the Centromin Miners' Federation, said that meetings with the management had been unsuccessful. If the miners' demands were not met delegates from 17 mining centres would hold a plenary session on *January 13 and 14 to decide* what action to take, he added.

Mr Macha complained that Centromin union leaders had been receiving threats recently from the Rodrigo Franco commando group, which accuses them of being linked to the *Sendero Luminoso guerrilla* group and the Revolutionary Tupac Amaru Movement.

The commando group is said to be linked to factions of the American Popular Revolutionary Alliance party and military intelligence.

However, an official of the National Mining Society *said* that since the last strike miners had been pushing for big changes in union leadership and that it was unlikely that there would be great support for another gen*eral strike among the new* union leaders.

There has also been talk of possible strikes at Milpo and Raura, two privately-owned mines.

Strike losses

The mining society has just released figures giving details of the losses incurred as a *result of last* year's strikes. The two stoppages, totalling 87 days, led to the following losses in production: 100,200 tonnes of copper; 37,200 *tonnes of* lead; 117,600 *tonnes* of zinc; and 10.6m troy ounces of silver.

Lost production represented 24.6 per cent of total 1987 production for copper and 16.05 per cent for silver.

The cost of the strikes in terms of export revenue totalled $US497m (including gold, tin, iron and minor metals). The *state* lost $38m in revenue and an additional *$127m was lost in the rest of* the economy because of the services, such as insurance and transport, which were not utilised.

In all the cost to the country, according to the mining society official, was equivalent to 5 per cent of Peru's foreign debt. Another protracted stoppage would be disastrous to the Peruvian economy.

In defence of modern farming methods

Why 'organically-produced' food is not necessarily more wholesome

FARMER'S VIEWPOINT

By David Richardson

PRINCE CHARLES was unquestionably right when he told an organic food producers' conference at the weekend: "There is no doubt that over the *last* few years a growing anxiety has developed amongst all sections of the community of the consequences of modern intensive farming methods." That does not mean, however, that those fears are always well-founded.

Many people are extremely concerned about the unseen content of what they eat, and some are prepared to pay premium prices for food produced by what they regard as more acceptable methods. But in most cases their worries are *stoked up by emotional reports* which often bear little relationship to the truth.

Take the recent salmonella scare in eggs, for instance. I should perhaps concede at the outset that I don't much like the concept of keeping hens in battery cages. In common with many non-farmers I much prefer to see them running around *in the open air or able to fluff* up their feathers in deep litter – the way we keep the dozen or so hens on this farm to provide eggs for the house.

Be that as it may, the fact is that eggs produced in battery cages are much less likely to *be affected with salmonella*, or any other bug, than those produced by more traditional means. The farmyard or deep litter hen walking and scratching around may look more attractive but she inevitably carries bugs from her own and *her sisters' defecation on her* feet. When she goes to the traditional nest box to add her egg to the pile she can carry contamination with her.

In a battery cage the dung drops straight through the wire mesh on which the hen is standing and is removed, while her egg rolls away down the sloping floor to the collection point the moment it is laid. Whatever you may think of the welfare aspects, battery egg production is quite positively more hygienic.

In spite of that, every press and television picture I saw during the height of the salmonella business featured hens in battery cages, thereby condemning them, by implication, as *the cause* of the problem. The truth is that around 90 per cent of the few dozen cases of egg-related salmonella that have been traced back to source, have been associated with hens on free range.

Intensive arable farmers who *apply granular fertilisers to* their land are similarly criticised as being the cause of chemicals in food and pollution in water supplies. The fact is that granular nitrogen from a plastic bag – which incidentally is extracted from the air – *is indistinguishable in food* from that which is derived from organic matter such as animal waste.

Applied to the land through sophisticated spreaders, granular fertiliser can be provided to plants at the time that they *need it and in the exact quanti*ties to promote optimum growth. This means that waste is virtually eliminated and after heavy rain leeching into water supplies is minimised.

The application of organic fertilisers like farmyard manure, however, is much less accurate because of the very nature of the stuff. And the regular ploughing of grassland to provide fertility - which is an essential *feature* of organic farming in the absence of purchased products – has been shown to lead to more leeching, not less, than modern *intensive cultivation techniques*.

That is not to say, however, that either organic or modern methods of fertilising land pose a health hazard. For although an EC directive has stipulated that public water supplies shall in *future not contain more* than 50 parts per million of nitrate and some UK sources are known to *have* 80 ppm, there is no evidence of any risk from drinking water with nitrate levels of well over 100 ppm.

Another EC rule already in being which many experts believe is equally unnecessary has led to the current trade war between the US and Europe.

Most American producers of beef cattle use a growth-promoting hormone. A small pellet is inserted in the animal's ear and over a period of several *months minute quantities of* hormone are released into its bloodstream, causing it to grow *better* and furthermore to have less *fat* on its carcass. Americans use the products because they make beef production more *efficient* and eco*nomic and because the result*ing low cholesterol meat coincides with public demand. In the past, small quantities of US meat have been exported to the EC.

These exports have now been stopped, however, follow*ing the EC's decision to* ban the use of growth promoters in Europe - a decision which flew in the face of advice from the community's own scientific committee, which stated that their use posed no conceivable hazard to human health.

The US-approved products – as distinct from some illegal ones identified many years ago in Italy and outlawed by all nations – are claimed merely to enhance levels of hormones already occurring naturally in animals, ourselves and elsewhere.

Prince Charles: Highlighted "growing anxiety"

Cynics have suggested in fact that the EC took its deci*sion to ban growth hormones* on alleged public health grounds because, at the time, although not now, the community had a surplus of beef. The US correctly alleges that there is no justification on public health grounds for the EC ban *of US beef exports* and the EC would appear to be in a cleft stick of its own making. Mean*while*, the transatlantic trade war escalates.

Another row is already breaking over the possible use of a substance called bovine *somatatrophin* or BST. *Admin*istered to dairy cows it is claimed to raise milk yields by up to 20 per cent, and to improve the efficiency and economy of milk production while being untraceable in the milk. As with beef hormones, *BST occurs naturally in the* system of the animal and the addition of a little more merely enhances those levels to dramatic effect.

I would not claim of course that all chemicals and drugs which might be used in the production of *food* are blameless. Regular use of antibiotics in animal feeds to combat subclinical disease, for instance, can enable bacteria to build up immunity. In the event of an epidemic caused by those same bacteria among animals or humans the veterinarians or doctors involved in controlling the problem would be at a severe disadvantage. So of course would the patients.

There are *also* some chemicals which can legally be applied to crops which are so concentrated and persistent that some farmers, myself included, choose not to use them. It is vitally important where such substances are used *that* the statutory gap between application and sale of the product into the food chain is observed.

My concern, however, is that consumers should be more discriminating; that they should learn to tell the difference between real and imagined danger and that they should not, like Prince Charles, condemn all that is *produced* on modern hygienic farms and praise all that which carries the label "organic".

For if all farmers responded *to* the Prince's persuasion to convert to organic farming, not only would the price premiums which makes it viable disappear, but the national farm would very soon produce about half what it does at present and Britain would be forced to *import at least 70 per cent of* its food from abroad.

Currently, organic produce is estimated to represent *just* 1 per cent of consumption, but as an industry UK farmers supply almost 80 per cent of the food that can be grown in our *temperate climate*. As world grain stocks fall to their lowest levels since the cereal crisis of 1973 it would perhaps be appropriate for Prince Charles to reflect on those comparative levels of self-sufficiency in food and consider the possible *implications for* the nation of which he will one day be king.

US traders expect buoyant grain prices

By Deborah Hargreaves in Chicago

CHICAGO GRAIN traders *expect last week's major* rally to be resumed this week under the influence of buoyant export sales and concern over growing conditions in South American and US producing areas.

Wheat and maize futures *prices posted strong advances* last week, with wheat prices briefly touching a seven-year high of $4.50 a bushel.

The wheat market has received a major boost from export sales to the Soviet Union and China, recently reported to be *taking* some 400,000 tonnes each.

Sales to Moscow are running at such a pace that the Soviets may ask for a further extension to the 16m-tonne ceiling set by the US Department of Agriculture for Soviet purchases.

Strong export sales have heightened concern in the grain trade about prospects for 1989's US winter wheat crop. *Large parts of the western* hard wheat belt, extending into Kansas, are still deficient in moisture and the newly-planted crop is looking vulnerable to a phenomenon called "winterkill". Freezing temperatures can kill the young shoots if the area *has* no protective snow cover.

Little moisture is forecast for the wheat belt in the next five days and Mr Bud Frazier, grain trader at Balfour Maclaine, a Chicago brokerage, believes that the wheat market will continue to be strong until substantial rain or snowfall is received.

However, the USDA's first crop report for the season, due *out on Friday, may have a* dampening effect on the market.

It is expected to show that farmers in some states, such as Ohio and Indiana, have responded to last summer's Midwest drought by planting a record acreage of winter wheat.

Chicago's maize and soyabean markets continue to be buoyed by export sales and concern about dry weather in South America. Although Brazil received some rain at the weekend, Argentina remains dry with high temperatures.

The next three weeks will be crucial for the Argentine maize *crop as continuing high tem*peratures could render the plants' pollinating process ineffective. That is what happened in large parts of the US Midwest last summer, leading to a 40 per cent drop in the country's maize crop.

"Corn (maize) surprises even me," says Mr Frazier, referring to the market's continued strength.

Nigerian cotton held back on price rise hopes

COTTON FARMERS in Nigeria are hoarding their produce in anticipation of higher prices this year, a leading grower said, **reports Reuter from Lagos.**

Mr Ashkot Kumar, managing director of Afcott said that *prices rose from about* 1,200 naira ($226) to 3,000 naira ($566), during last season, and that growers were hoping for a repeat of that performance this year.

"What surprises me is that the farmers have the economic capacity to hold back their cotton," Mr Kumar said. "Farmers are getting smarter these days."

WORLD COMMODITIES PRICES

LONDON MARKETS

COFFEE prices closed sharply lower as the recent rally to 11-month highs appeared to run out of steam both in London and New York. There was little fresh news and the decline in the US was seen as primarily inspired by technical factors. Dealers said it was too early to say whether the reversal would represent a temporary setback, *inspired by a bout of profit-taking, or a* long-term change in the market's trend. New York's premium over London narrowed, with robustas aided by continued concern about nearby supplies from Ivory Coast, Cameroun, Uganda and Indonesia. On the bullion market gold lost $3 to $402.75 an ounce – the lowest closing level since October 5. Dealers said the precious metals sector as a whole was under pressure from the dollar's advance. The market is expected to test the $400 an ounce level in the short term.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$13.65-3.75w	+0.05
Brent Blend	$16.25-6.35w	+.075
W.T.I. (1 pm est)	$17.75-7.80w	+0.12
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$170-172	
Gas Oil	$161-162	
Heavy Fuel Oil	$76-77	
Naphtha	$160-162	+3
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$402.75	-3.00
Silver (per troy oz)♣	593c	-5
Platinum (per troy oz)	$516.25	-4.15
Palladium (per troy oz)	$131.75	-0.25
Aluminium (free market)	$2442.5	-7.5
Copper (US Producer)	180⅝-83¼c	
Lead (US Producer)	41c	
Nickel (free market)	730c	-60
Tin (European free market)	£4220	+25
Tin (Kuala Lumpur market)	18.97r	-0.02
Tin (New York)	344.50c	-0.65
Zinc (US Prime Western)	74½c	-1
Cattle (live weight)†	113.13p	-0.68*
Sheep (dead weight)†	158.63p	-6.90*
Pigs (live weight)†	74.95p	-3.17*
London daily sugar (raw)	$259.6u	+5.6
London daily sugar (white)	$282u	+4
Tate and Lyle export price	£255.5	+5.5
Barley (English feed)	£113	
Maize (US No. 3 yellow)	£132	
Wheat (US Dark Northern)	£125.25v	+1.00
Rubber (spot)♥	59.25p	+0.75
Rubber (Feb)♥	65.75p	+0.75
Rubber (Mar)♥	66.00p	+0.75
Rubber (KL RSS No 1 Feb)	283.5m	+0.5
Coconut oil (Philippines)§	$550u	
Palm Oil (Malaysian)§	$375	
Copra (Philippines)§	$365	-5
Soyabeans (US)	$197	+4
Cotton "A" Index	63.85c	+1.15
Wooltops (64s Super)	655p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. z-Dec/Jan. w-Feb. v-Apr/May. u-Jan/Feb. q-Dec. x-Jan/Mar. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

COCOA £/tonne

	Close	Previous	High/Low
Mar	849	851	856 846
May	859	860	865 857
Jul	867	869	874 867
Sep	872	871	880 870
Dec	888	890	893 888
Mar	900	900	903 900
May	914	915	

Turnover: 2812 (5105) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Jan 6: 1095.96 (1114.88);10 day average for Jan 9: 1136.92 (1142.13) .

COFFEE £/tonne

	Close	Previous	High/Low
Jan	1250	1257	1275 1232
Mar	1233	1270	1269 1217
May	1203	1230	1225 1190
Jly	1202	1230	1220 1192
Sep	1200	1223	1220 1200
Nov	1210	1225	1215
Jan	1200	1227	1215

Turnover:3924 (8406) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Jan 6: Comp. daily 136.60 (137.57); . 15 day average 132.03 (130.95).

SUGAR ($ per tonne)

Raw	Close	Previous	High/Low
Mar	232.60	233.60	233.60 230.00
May	233.00	234.00	233.40 231.00
Aug	227.60	230.00	228.00 228.00
Oct	223.80	225.20	224.00 222.60
Dec	224.00	224.00	220.00 220.00
Mar	220.00	222.00	220.00 216.40
May	220.00	222.00	220.00 219.00
White	**Close**	**Previous**	**High/Low**
Mar	275.00	275.50	276.00 273.00
May	271.50	272.00	270.50 269.00
Aug	271.00	272.00	271.00 270.00
Oct	265.50	265.00	264.00
Dec	263.00	262.50	
Mar	262.00	262.00	
May	261.00	261.50	

Turnover: Raw 4540 (7010) lots of 50 tonnes. White 877 (716).
Paris- White (FFr per tonne): Mar 1715, May 1690, Aug 1695, Oct 1650, Dec 1640, Mar 1630

LONDON METAL EXCHANGE TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	*Mar*	*May*	*Mar*	*May*
2250	204	190	51	137
2350	143	145	86	189
2450	95	106	130	249
Copper (Grade A)	**Calls**		**Puts**	
2900	349	294	122	280
3100	240	206	229	396
3300	157	147	324	532

TEA
There were 18,195 packages on offer including 2,600 offshore, reports the Tea Brokers Association. Demand was strong but selective Assams met improved competition at firm to dearer rates. Bright *liquoring Africans* were generally dearer with the best Pekoe dusts showing substantial advances. Mediums proved *irregular* and declined by 2-4p. Plain descriptions remaind firm. Ceylons met fair demand but prices were mainly 3-8p lower. Offshore teas sold quite readily at firm rates. Quotations: quality 158p (141p), medium 116p (114p), low medium 84p (80p).

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						*Ring turnover 17,150 tonne*
Cash	2400-10	2435-40	2440	2440-5		
3 months	2345-50	2385-7	2420/2345	2380-90	2365-70	23,268 lots
Copper, Grade A (£ per tonne)						Ring turnover 43,150 tonne
Cash	1875-80	1905-10	1910/1869	1908-10		
3 months	*1749-50*	*1776-7*	*1790/1745*	*1790-1*	*1750-1*	*67,857 lots*
Silver (US cents/fine ounce)						Ring turnover 0 ozs
Cash	588-91	593-5		587-9		
3 months	601-4	606-8		600-2		467 lots
Lead (£ per tonne)						Ring turnover 5,950 tonne
Cash	383-4	389-90	384.4/383	385.5-6		
3 months	383-4	388-9	386/382	383-3.5	384-5	9,948 lots
Nickel ($ per tonne)						Ring turnover 1,914 tonne
Cash	16500-600	17700-800	16400/16000	15900-6000		
3 months	15500-600	16400-600	16300/14700	15850-75	15800-60	5,793 lots
Zinc, Special High Grade ($ per tonne)						Ring turnover 1,175 tonne
Cash	1640-50	1650-60	1680	1670-80		
3 months	1615-25	1615-20		1640-50	1625-35	2,342 lots
Zinc ($ per tonne)						Ring turnover 8,775 tonne
Cash	1640-5	1635-40	1670	1670-3		
3 months	1593-5	1590-5	1612/1564	1613-5	1592-5	11,716 lots

POTATOES £/tonne

	Close	*Previous*	*High/Low*
Feb	59.0	60.0	65.0 55.0
Apr	78.7	82.8	80.9 78.5
May	95.8	98.9	97.0 95.5
Nov	83.0	85.0	83.0

Turnover 625 (298) lots of 40 tonnes.

SOYABEAN MEAL £/tonne

	Close	Previous	High/Low
Feb	175.00	176.00	174.00
Apr	177.00	177.00	177.00 176.00
Jun	171.50	172.50	172.00 171.80
Aug	163.00	164.00	163.00

Turnover 655 (79) lots of 20 tonnes.

FREIGHT FUTURES $10/index point

	Close	Previous	High/Low
Jan	1629	1620	1630 1620
Feb	1677	1681	1687 1677
Apr	1705	1711	1715 1705
Jul	1497	1502	1510 1497
Oct	1585	1596	1595 1586
Jan	1585	1595	1600 1595
BFI	1569	1578	

Turnover 333 (736)

GRAINS £/tonne

Wheat	Close	Previous	High/Low
Jan	113.00	112.60	113.00 112.85
Mar	116.00	115.55	116.00 115.75
May	118.95	118.60	119.00 118.95
Jun	120.40	120.05	120.40
Sep	102.60	102.50	102.60
Nov	105.05	104.95	105.05
Jan	108.10	108.00	108.10
Barley	**Close**	**Previous**	**High/Low**
Jan	108.60	108.30	108.60
Mar	111.80	111.50	111.85 111.75
May	113.75	113.50	113.75 113.60
Sep	99.80		99.90

Turnover: Wheat 512 (171) , Barley 15 (39) .
Turnover lots of 100 tonnes.

LONDON BULLION MARKET

Gold (fine oz) $ price		£ equivalent
Close	402½-403	228-228½
Opening	406-406½	228¼-228¾
Morning fix	404.45	228.865
Afternoon fix	402.45	227.591
Day's high	406½-407	
Day's low	401½-402	

Coins	$ price	£ equivalent
Mapleleaf	414-419	234½-237½
Britannia	414-419	234½-237½
US Eagle	414-419	234½-237½
Angel	413-418	227½-228½
Krugerrand	401½-404½	227½-229½
New Sov.	94¾-95¾	53½-54¼
Old Sov.	94¾-95¾	53½-54¼
Noble Plat	531.35-540.25	299-304

Silver fix	*p/fine oz*	*US cts equiv*
Spot	336.55	593.00
3 months	347.80	606.50
6 months	358.05	620.60
12 months	379.40	650.70

CRUDE OIL $/barrel

	Close	Previous	High/Low
Feb	16.34	16.27	16.35 16.16
Mar	15.80	15.74	15.83 15.69
Apr	15.47	15.44	15.48 15.45
IPE Index	16.24	15.85	

Turnover: 4571 (4495)

GAS OIL $/tonne

	Close	Previous	High/Low
Jan	160.25	158.00	161.00 157.00
Feb	154.75	152.75	155.00 152.00
Mar	149.25	147.75	150.00 147.25
Apr	143.75	142.50	144.50 142.00
May	138.25	137.00	138.50 136.00
Jun	136.50	136.00	136.00 135.50
Jul	137.00	136.00	137.25 135.00

Turnover 8503 (9189) lots of 100 tonnes

US MARKETS

IN THE metals, dollar based selling weakened the gold market, reports Drexel Burnham Lambert. Local traders were featured sellers in silver as prices fell near the 6 dollar level. Platinum futures had a slow session. Copper *trading* was active with prices declining 125 in March. In the softs, speculative panic selling sank coffee futures by almost 800 points. Trade groups supported the cocoa while sugar futures were quiet. Due to easier European values and cancellation of bean sales, the soy complex was under pressure throughout the day. The soymeal led the way, falling 49 in January. Corn futures were firm on technical *buying*. Wheat prices were lower early on, then firmed in news of Chinese intervention. The meat *markets* saw *higher* cattle *prices* as lower grains helped add support. Pork belly and hog futures were both lower with continued *high storage levels* depressing the pork market as sell stops weakened prices to limit down. In moderate volume, the energy markets advanced on news of low production figures from Saudi Arabia.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	*Previous*	*High/Low*	
Jan	404.9	406.3	0	0
Feb	408.7	408.1	408.8	403.7
Mar	409.2	410.6	0	0
Apr	412.0	413.5	412.3	408.8
Jun	417.1	418.7	417.3	414.1
Aug	422.5	424.2	420.8	419.5
Oct	428.0	429.8	0	0
Dec	433.6	435.5	432.5	430.7
Feb	408.7	408.1	408.8	403.7

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Jan	533.6	523.3	533.0	516.0
Apr	532.3	521.9	534.0	513.1
Jul	531.8	521.1	532.0	513.0
Oct	532.0	521.4	530.0	518.0
Jan	534.0	529.4	0	0
Apr	538.0	527.4	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Jan	596.3	598.8	0	0
Feb	599.3	602.5	596.0	593.0
Mar	604.3	607.5	604.5	597.0
May	614.8	617.9	615.0	608.5
Jul	625.3	628.5	626.0	620.0
Sep	635.8	639.0	636.0	631.0
Dec	651.3	654.5	651.0	645.5
Jan	655.5	658.7	0	0
Mar	665.7	669.9	662.0	662.0
May	677.7	680.8	0	0

COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jan	145.30	147.80	148.00	144.60
Feb	140.50	142.00	0	0
Mar	134.75	136.00	136.50	132.00
May	124.75	125.50	126.50	123.25
Jul	120.75	121.30	121.80	119.90
Sep	117.55	118.00	118.20	117.00
Dec	114.05	114.00	115.00	114.00

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Feb	17.77	17.55	17.82	17.57
Mar	17.08	16.95	17.16	16.95
Apr	16.71	16.59	16.77	16.60
May	16.52	16.38	16.55	16.41
Jun	16.35	16.26	16.42	16.28
Jul	16.26	16.18	16.35	16.21
Aug	16.22	16.12	16.28	16.21

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Feb	5420	5360	5465	5380
Mar	5130	5052	5150	5070
Apr	4810	4749	4830	4780
May	4575	4500	4585	4535
Jun	4480	4405	4480	4460
Nov	4700	4620	0	0

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Mar	1426	1413	1429	1405
May	1425	1413	1425	1407
Jul	1425	1416	1425	1410
Sep	1428	1417	1421	1412
Dec	1435	1433	1438	1420
Mar	1446	1436	1437	1436
May	1460	1453	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Mar	148.29	157.72	155.65	151.75
May	143.63	152.38	150.50	146.40
Jul	142.00	148.00	147.50	142.00
Sep	139.53	145.53	143.00	139.53
Dec	138.00	144.00	141.50	141.00
Mar	136.75	142.75	0	0
May	136.75	142.75	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	*Previous*	*High/Low*	
Mar	10.27	10.41	10.38	10.22
May	10.26	10.36	10.34	10.21
Jul	10.07	10.15	10.12	10.01
Oct	9.82	9.92	9.88	9.77
Jan	8.90	9.00	0	0
Mar	9.61	9.70	9.62	9.57
May	9.57	9.51	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Mar	59.84	59.82	60.44	59.35
May	60.08	59.70	60.46	59.50
Jul	59.99	59.74	60.49	59.95
Oct.	58.10	58.30	58.40	57.95
Dec	58.00	58.08	58.20	57.70

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jan	157.05	157.40	157.60	156.75
Mar	153.70	155.35	155.10	153.70
May	153.40	154.90	154.60	153.20
Jul	153.20	154.65	153.75	153.20
Sep	153.20	153.95	153.60	153.00
Nov	150.30	151.90	151.25	150.50
Jan	150.00	151.50	0	0
Mar	150.00	151.50	0	0
May	150.00	151.50	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Jan 6	Jan 5	mnth ago	yr ago
1997.4	1997.0	1876.0	1765.0

DOW JONES (Base: Dec. 31 1974 = 100)

Spot	143.89	143.84	135.39	134.32
Futures	145.95	146.71	140.20	137.28

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Jan	806/4	817/6	820/4	806/0
Mar	817/4	829/4	832/4	817/0
May	827/0	838/6	841/4	826/0
Jul	832/0	841/4	845/4	831/4
Aug	*822/4*	*831/0*	834/0	822/0
Sep	781/4	788/2	790/4	781/4
Nov	745/0	748/2	754/4	744/4
Jan	755/0	757/4	763/0	755/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Jan	22.99	22.85	23.13	22.78
Mar	23.38	23.24	23.54	23.17
May	23.92	23.73	24.09	23.72
Jul	24.40	24.22	24.48	24.15
Aug	24.47	24.30	24.60	24.30
Sep	24.60	24.39	24.65	24.35
Oct	24.65	24.45	24.65	24.45
Dec	24.57	24.45	24.75	24.45

SOYABEAN MEAL *100 tons; $/ton*

	Close	Previous	High/Low	
Jan	282.0	287.1	287.9	281.8
Mar	282.9	288.1	289.0	282.8
May	260.7	265.7	266.0	260.5
Jul	257.0	261.2	262.0	257.0
Aug	250.0	254.0	256.0	250.0
Sep	242.0	245.0	244.0	241.0
Oct	231.0	233.2	233.0	231.0
Dec	225.4	227.6	227.0	225.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	*Previous*	*High/Low*	
Mar	289/2	289/0	292/6	288/2
May	295/2	294/6	298/0	294/0
Jul	298/2	297/6	301/0	298/6
Sep	284/0	284/2	286/0	283/0
Dec	277/4	278/2	280/0	277/0
Mar	283/6	285/2	286/0	283/4
May	286/4	288/0	288/0	286/4

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Mar	449/6	446/6	449/0	446/0
May	435/6	434/6	436/4	433/0
Jul	398/2	397/4	399/0	397/0
Sep	402/0	401/0	403/0	401/0
Dec	412/4	411/0	412/4	410/2
Mar	414/0	413/4	414/0	413/4

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Feb	73.55	73.40	74.10	73.20
Apr	75.27	75.57	76.12	75.25
Jun	74.00	74.02	74.62	73.92
Aug	71.72	71.70	72.27	71.62
Sep	71.30	71.10	71.30	71.30
Oct	70.70	70.70	71.30	70.70
Dec	71.70	71.80	72.25	71.70

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Feb	46.37	47.12	47.72	46.32
Apr	45.27	45.90	46.40	45.25
Jun	49.52	49.87	50.30	49.40
Jul	49.77	50.00	50.30	49.70
Aug	49.02	48.92	49.35	48.95
Oct	45.10	44.90	45.80	45.02
Dec	46.65	46.30	46.95	46.50
Feb	45.82	45.52	45.50	45.50

PORK BELLIES 38,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	42.46	44.45	44.75	42.45
Mar	43.07	45.07	45.25	43.07
May	44.82	46.72	47.17	44.72
Jul	46.02	47.85	48.20	45.65
Aug	46.30	47.05	47.75	45.25
Feb	61.60	60.80	61.60	60.00
Mar	60.87	60.87	0	0
May	61.00	61.00	0	0

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LONDON STOCK EXCHANGE

GEC spearheads surge by blue chips

The prospect of yet another huge, possibly UK record-breaking, takeover bid in the electronics sector – this time for GEC which is already bidding jointly with West Germany's Siemens for Plessey – triggered a wave of speculative buying of blue-chips on the London stock market yesterday.

The FT-SE 100-share index, on a rising track since last Wednesday, and continually boosted by market stories of further mega-bids in the offing, left the psychologically important 1,800 mark behind and touched 1,836.0, before ending the session a net 20.2 higher at 1,831.5.

Account Dealing Dates

*First Dealings:		
Dec 28	Jan 16	Jan 30
Option Declarations:		
Jan 12	Jan 26	Feb 9
Last Dealings:		
Jan 13	Jan 27	Feb 10
Account Day:		
Jan 23	Feb 6	Feb 20

*New time dealings may take place from 9.00 am two business days earlier

Fuelling the market was another strong showing by the dollar against all leading currencies, a batch of generally encouraging economic statistics and a confidence-booosting performance by the Tokyo stock market.

The economic data issued yesterday included a final figure for retail sales in November showing a 0.6 per cent decline. New credit business figures were viewed by John Reynolds, economist at Prudential-Bache, as causing "some worry" in the markets.

But the GEC/Siemens/Plessey saga dominated sentiment.The weekend news from Lazards, the merchant bank acting for Plessey, that it was in the process of putting together a consortium which might bid for GEC, confirmed speculation in the market for the past three weeks. It lit the fuse under GEC shares which opened sharply higher and continued to race ahead, before dipping back on a report that the Office of Fair Trading, under the terms of the Fair Trading Act, could look at any bid " in anticipation".

The overall view in the market was that the bid would inevitably attract a referral to the Monopolies Commission "obviously on the grounds of public interest," said one analyst. "In the event of any bid being made, its chances of succeeding are very slim," although he noted that a bid was "at least a very good spoiling tactic, given the state of the offer for Plessey."

The strength of the dollar came despite a bout of intervention by a number of central banks and was said to have mirrored the employment figures revealed last week by the US authorities. The latest advance by the Tokyo market to record levels came as a surprise to traders who had been expecting a "diplomatic" fall in Japanese market indices after the death of Emperor Hirohito.

Turnover in London built up a significant head of steam with the final figure, which includes inter-market activity, coming out at 591.4m shares compared with Friday's 456.2m and Thursday's 448m. The upsurge in business owed much to the electronics arena where dealers reported "huge" activity in GEC, Plessey and *Ferranti*.

FINANCIAL TIMES STOCK INDICES

	Jan. 9	Jan. 6	Jan. 5	Jan. 4	Dec. 3	Year Ago	1988/89 High	1988/89 Low	Since Compilation High	Since Compilation Low
Government Secs	86.90	86.70	86.65	86.80	86.85	87.60	91.43 (18/4/88)	86.18 (14/12/88)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	96.09	95.00	95.87	95.93	95.97	94.52	99.67 (25/5/88)	94.14 (8/1/88)	105.4 (26/11/47)	50.53 (3/1/75)
Ordinary	1502.0	1481.3	1471.5	1459.8	1447.8	1417.4	1514.7 (8/8/88)	1349.0 (8/2/88)	1928.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	162.9	163.4	161.7	162.1	160.7	298.5	312.5 (7/1/88)	160.7 (3/1/89)	734.7 (15/2/83)	43.5 (26/10/71)

Ord. Dl. Yield	4.88	4.95	4.96	5.04	5.06	4.40
Earning Yld %(full)	12.29	12.46	12.55	12.73	12.78	11.01
P/E Ratio(Net)(☆)	9.84	9.70	9.63	9.48	9.44	11.13
SEAQ Bargains(5pm)	31,613	22,883	23,095	20,732	18,529	27,733
Equity Turnover(£m)†	-	1113.54	1140.29	739.89	407.66	994.15
Equity Bargains†	-	25,204	24,108	21,929	13,188	31,429
Shares Traded (ml)†	-	422.0	411.3	345.1	183.4	408.8

Ordinary Share Index, Hourly changes

●Opening	●10 a.m.	●11 a.m.	●12 p.m.	●1 p.m.	●2 p.m.	●3 p.m.	●4 p.m.
1496.9	1503.4	1504.1	1505.1	1504.4	1504.4	1502.4	1502.5

DAY'S HIGH 1506.1 DAY'S LOW 1496.9

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, ☆Nil 9.79 †Excluding intra-market business.

● S.E. ACTIVITY

Indices	Jan. 9	Jan. 5
Gilt Edged Bargains	94.3	92.8
Equity Bargains	163.3	156.2
Equity Value	2230.7	2304.8
5-Day average		
Gilt Edged Bargains	75.9	67.3
Equity Bargains	122.2	106.9
Equity Value	1518.5	1328.2

● London Report and latest Share Index: Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing Price	Day's change
ASDA Group	5,200	138	+3
Allied-Lyons	728	446	+1
Argyll Group	488	172	+½
Ass. Brit. Foods	1,669	170	-1
BAA	82	307	+2
BAT	1,328	270	+1½
BET	826	252	+3
BICC	1,498	225	+3
BOC	578	395	+5
BPB Ind.	882	426	+2½
BTR	2,150	224	+2
Barclays	3,200	307	+3
Boots	944	412	+2
Bunzl	556	811	+3
Burton	2,700	180	+1
Butchart	1,299	428	+4
Blue Arrow	10,000	93	+6½
Blue Circle	1,529	448	+10
Boots	1,988	236	+5
British Airways	3,525	157	+2
Brit. Aerospace	2,369	446	+10
Brit & Comm.	257	257	
British Gas	6,948	179	+1½
British Land	225	358	+4
BP	3,989	253	+2
British Steel	48,580	63½	+½
British Telecom	4,889	263	+3
Bunzl Pkt	393	103	+6
Burton	1,599	173	+1
Cable & Wireless	1,179	369	+4
Cadbury Schweppes	946	341	+2
Coats Viyella	1,300	149	+2
Commercial Union	1,688	341½	+1½
Cons. Gold Fields	8	1240	-6
Courtaulds	260	264	+1
Courtaulds	2,000	282½	+5½
Dalgety	1,509	317	-2
Dixons	2,388	138	+4
Eng. China Clays	511	465	+3
Enterprise Oil	2,900	494	+14
FKI Babcock	579	125	+3
Fisons	4,475	265	-1
Gateway Corp.	2,108	161	+2
General Accident	146	854	+2
General Elect.	55,528	221	+19
Glaxo	1,688	1101	+20
Globe Inv.	2,008	142	+3
Glynwed Int.	265	278	+2
Grampian	770	328	+1
Grand Met.	1,681	465	+2
GKN A	162	975	-5
GRE	1,488	184	-1
GKN	686	303½	+½
Guinness	3,300	348	
Hammerson 'A'	670	921	-5
Hanson	16,549	163	+2
Harrisons & Cros.	14	670	+2
Hawker Siddeley	2,308	558	+14
Hillsdown Hldgs.	1,880	259	+4
Hill	1,278	190	+3½
Imp. Chem.	2,110	1065	+15
Inchcape	371	204	+1
Jaguar	319	275	+3
Ladbroke	588	427½	+½
Land Securities	1,400	552	+11
Lasmo	1,535	370	+4
Legal & General	826	213	+2
Lloyds Bank	374	324	+2
LASMO	486	487	+1
Lucas	180	354	+4
Lucas	1,188	343	+15
MB Group	5,139	236	+6
MEPC	444	537	+10
Marks & Spencer	3,500	155	+4
Maxwell Comm.	279	393	+2
Midland Bank	238	412	+2
Nat. West. Bank	963	527	+5
Next	1,300	137	
Northern Foods	2,000	287	-2
Pearson	135	666	+7
Pearl	52	483	
P & O	544	542	+8
Pilkington	2,600	218½	+1½
Plessey	18,495	226	-2
Polly Peck	1,500	275	+3
Prudential	489	154	+1
Racal	7,700	292	+5
Rank Org.	166	720	-1
RMC	248	511	+5
REMI	237	357	+1
Reckitt & Colman	167	924	+5
Redland	746	428	+7
Reed International	1,609	343	+3
Reuters 'B'	677	335	+8
RTZ	3,695	449	+12
Rolls Royce	6,480	148½	+5½
Rothmans	458	428	+3
Royal Bk. of Scotland	192	256	+1
Royal Insurance	419	378	
STC	3,607	265	-7
Sainsbury & Sainsbury	928	346	+4
Sainsbury	2,000	205	+5
Scott & Newcastle	14	308	
Sears	1,100	113	+1
Shell Transport	2,580	337	+4
Sidlaw	159	409	+7
Slough Estates	731	308	+12
Smith & Nephew	5,908	123½	+3½
Standard Chartd	197	589	-1
Storehouse	273	194	
Sun Alliance	188	995	+1
T&N	598	171	+2
TSB	1,488	189	
Tarmac	2,000	231	+2
Tate & Lyle	228	639	+2
Tesco	1,808	134	+1
THORN EMI	1,400	648	+5
Trafalgar House	2,499	294	+3½
Trusthouse Forte	2,188	254½	+2½
Ultramar	314	287	+1
Unilever	2,100	463	
United Biscuits	2,100	334	-2
Utd. Newspapers	384	378	-2
Wellcome	482	415	
Whitbread 'A'	183	394	+1
Williams Hldgs.	593	232	+2
Willmer	2,408	289	+6
Woolworth Hldgs.	97	239	+1

Electronic issues dominate

The electronics sector completely overshadowed the rest of the equity market. GEC opened sharply higher at 233p but subsequently came well off as bouts of heavy buying interest were offset by some hefty selling orders. The selling pressure built up just before midday when the Office of Fair Trading said it would be taking a look at the proposed offer for GEC by the Sir John Cuckney-led Metsun consortium. At the close,GEC shares were a net 19 up at 221p with turnover a massive 56m shares.

Overriding sentiment in the market was that any bid for GEC would fail, but dealers took the view that recent developments highlighted the intrinsic value of GEC. "The downside from here looks pretty limited," said one.

Chris Tucker, electronics researcher at Kleinwort Benson Securities, said: "We believe the consortium will struggle to put together a bid which is politically acceptable, especially given GEC's major involvement in defence industries. It is difficult to believe that the UK Government will allow the largest and strategically most important electronics company to be broken up and potentially fall into foreign control."

Worries that the GEC/Siemens 225p a share offer for Plessey will be referred to the Monopolies Commission later this week saw Plessey shares ease 2 to 226p, despite talk in the market that GEC/Siemens had picked up perhaps as much as 7m more shares, thereby increasing their holding to around 1.5 per cent. Turnover in Plessey was 19m shares.

The possibility that STC could eventually be included in any consortium bid for GEC upset the company's shares which settled 7 off at 265p after volume of 3.6m.

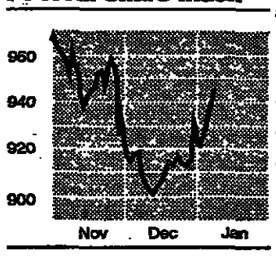
Ferranti busy

Ferranti were among the market's biggest turnover stocks with 28m shares changing hands during a session of frantic activity. Dealers and analysts said the company could well be the next of the electronics and defence companies to attract predatory action. The share price, bid up to 109p when buying of GEC reached its peak, ended the session a net 2 firmer at 103p.

Ferranti have been among the most active in the electronics sector in the past few weeks as stories of the group being granted a Telepoint licence and winning the Eurofighter radar contract have circulated in the market.

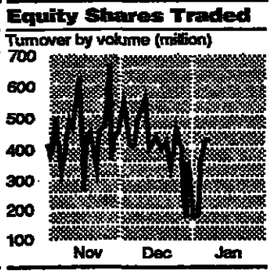
BZW is a strong advocate of the shares. Analyst Mr Simon Street is "positive regarding Ferranti on fundamentals. The share price probably only discounts an element of the hoped-for good news and should disaster strike, the downside is protected by the increasing possibilities of a bid."

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)



Interest in Hawker

Hawker Siddeley took the honours among engineering issues, benefiting from the excitement surrounding GEC and other defence stocks. Institutional buyers showed interest and turnover was above average at 2.2m shares, but traders commented that the price upsurge was accelerated by a squeeze on supplies for marketmakers had been running small bear positions for choice. The shares eventually closed 17 higher at561p.

Hoare Govett rates Hawker undervalued, saying: "The group no longer maintains all the defensive qualities it once did. However, its spread of businesses throughout the world still give some protection against an economic downturn and in addition it is now focused towards some more attractive markets where growth potential exists." Hoare is condident that Hawker will achieve at least a market growth rate from year to year, and expects the discount rating to disappear as investors preceive this.

Shop closing

The battle for control of London Shop appeared to be reaching its final stages after Peel Holdings upped its offer yesterday to 340p-a-share and raised its stake to around 33 per cent by buying roughly 4m London Shop shares at 340p. However, the shadow of Mr Berish Berger, chairman of private group, Land & Property Trust, continued to linger over Peel's bid as dealers reported a buyer – widely believed to be Berger – of several thousand London Shop at 341p.

Mr Berger is now thought to have 3 per cent of London Shop, and with an announcement due today from Land & Property Trust dealers believe there is every chance that he will launch a counter bid, perhaps around the 345p mark.

The new Peel offer is still regarded in the market as too low, said one senior analyst, who believed that a price of something close to the recently released asset value of 358p would be more likely to succeed. "One thing is sure, though. Now that Peel has over 30 per cent, the chances of London Shop remaining independent are extremely small."

At the close London Shop were 13 better at 343p, while Peel were also firmer at 290p, up 5 on the day.

National Westminster was the principal feature of a quiet Bank sector, climbing 5 to 527p in moderate trade, with buying interest reported from long-term funds.

Blue Circle gained 10 to 448p after announcing a seven per cent rise in cement prices. The news helped some other cement makers. Redland rose 7 to 428p and Steetley 3 to 332p. However, Rugby Group lost a penny to 140p in spite of its Portland Cement interests. "There's no shortage of stock," said a dealer, "as everybody has long positions in Rugby."

All the leading telecoms and electronics issues shared in the euphoria aroused by the GEC news. Turnover in British Telecom came out at 6.8m – the highest for some time – and the shares edged up 3 to 263p with traders talking of stock shortages. Racal Electronic put on 5 to 292p amid volume of 7.7m with Racal Telecom, again boosted by American support, up 4½ to 195½p as 5.4m shares changed hands.

Eurotherm were again among the market's outstanding performers, advancing 5 more to 388p; Flemings, the securities house, is currently recommending the stock ahead of preliminary figures scheduled for January 17.

Flemings expects profits to come out some 17 per cent higher at £15.7m and is looking for signs of further growth in the current year. Unitech raced up 13 to 208p following news of a series of disposals.

Recognised Engineering majors such as Rolls-Royce (140½p) and Vickers (170p) made strong forward progress while TACE jumped 9 to 180p with buyers hoping for good annual results when the company reports on January 24. Speculative support raised S W Wood 9 to 150p.

Eurotunnel rose steeply, 50 to 593p, on continued demand notably from France. Market makers said that there was a shortage of sellers in the market. One said that British buyers had started to follow the French lead. "They are thinking 'Why are the French buying them? Maybe they know something.'" Another said that the stock continues to problematical; "How do you value a company which has no earnings until 1993?" Eurotunnel Warrants also performed well, climbing 8 to 55p.

Blue Arrow climbed 6½ to 93p on high volume of 10m shares largely as a result of an announcement by Adia, the Swiss employment agency, that it would be interested in buying all or part of Blue Arrow. The stock was also helped by the strength of the dollar and by the speculation which has surrounded it for some weeks.

Analysts said they were not surprised by the news, Adia had expressed interest interest in the Manpower Group when it was being taken over by Blue Arrow.

Mr Brian Sturgess, an analyst at Barclays De Zoete Wedd said that his rough calculations suggested a break-up value of 90p a share for Blue Arrow, but, he said, there would be an added premium for Adia which would gain strength in a fractured market from the acquisition.

Glaxo was also boosted by the strong dollar and some US buying interest and climbed 20 to 1101p. Boots, which dealers regard as a possible bid target, rose 5 to 236p on volume of almost 2m.

Tomkins, the industrial holdings company, rose 9 to 205p after reporting half-year profits up six per cent and a 49 per cent rise in the dividend. An analyst a Hoare Govett said that the shares have underperformed the market over the last three months and had "reached the floor" and that the figures provided the occasion for a recovery.

Thomson T-Line rose 5 to 95p in line with other bid targets. Ladbrokes, which announced it was extending the acceptance period for its offer for Thomson, rose ½ to 427½. British Aerospace, rose 10 to 446p on continued bullish sentiment following recent orders. Hoare Govett produced a bulky research document looking at BAe's prospects over five years and said that annual growth of as much as 18 per cent was possible throughout that period. Mr Robert Pringle, a Hoare Govett analyst, said that the share was currently undervalued by 30 per cent.

Armstrong Equipment dropped 12 to 147p as several analysts took the view that the bid from Wardle Storeys was not going to succeed. Over the weekend, the latter said its offer was final and will close on January 18. Motors otherwise presented a firm trend with Lucas Industries responding to revived speculation of stakebuilding and closing 15 higher at 543p. Dowty were also in good form at 234p, up 6.

Comment that potential buyers were queuing to buy the company's "hundreds of acres of development land" sparked off demand for UK Paper and the shares rose 8 to 190p.

Slough Estates gained 12 to 308p on good demand from European – probably French – investors, while leading property stocks were generally firmer, with Land Securities adding 11 at 552p and MEPC 10 at 537p.

The sustained firmness of Courtaulds inevitably received coverage in the weekend city columns and with commentators leaning favourably towards the change of sentiment the shares rose 5½ more to 282½p. Elsewhere, S Jerome were wanted and, in a thin market, jumped 13 to 221p.

The combined effects of the stronger dollar and the Japanese market's rise to a record level meant unusually strong performances from many stocks in the Investment Trust sector. Most of the leaders have a high exposure to the US currency and several scored double-figures gains, including Alliance which rose 17 to 846p.

Companies participating in Wytch Farm exploration found buyers ahead of yesterday's announcement of the latest drilling report, which, when published, bolsteredhopes of the field being an highly encouraging prospect. British Petroleum, the operator and 50 per cent owner, added 2 at 253p, while the partly-paid stock gained 2¼ to 151p. Premier Consolidated, the holder of a 12½ per cent stake, rose 2 to 67½p and Clyde (7½ per cent) a like amount to 97p.

The main oil feature, however, was exploration and production stock Enterprise, up 14 more at 494p. Dealers spoke of some "meaty orders" and there was evidence of a large buyer mopping up loose stock. This inevitably led to speculation that Elf Aquitaine was raising its shareholding, currently 25.2 per cent, perhaps with the objective of reaching the permitted maximum of 29.9 per cent. Burmah were also bought and rose 6 to 503p.

It was a busy day on the Traded Options market, as a total of 49,878 contracts went through the system, of which 39,180 were calls and 10,698 puts. The most actively traded issue was GEC, which saw 12,674 contracts dealt during the day. Trading in Hanson Trust was also busy, with a total of 5,134 contracts reported.

■ Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 22

NEW HIGHS AND LOWS FOR 1988

NEW HIGHS (77).
BRITISH FUNDS (2) Treas. 3pc 1989, Do. 2pc IL 1990. AMERICANS (4), BANKS (3) Bank Scot. 9¼pc Irred. Pf., Deutsche Bk., Cie B'ore., BREWERS (2) Clark (M.), Highland Diste., BUILDINGS (1) Lafarge Coppée, CHEMICALS (2) Caird Grp., Rentokil, ELECTRICALS (3) ASEA AB 'B', Ericsson (L.M.), Life Sciences Int'l., Racal Telecom, Sony, ENGINEERING (2) SKF, Westland, Wheelco, FOODS (2) BSN, Kwik Save, INDUSTRIALS (3) BTR, Jardine Hldg., Jardine Strategic, Pacific Dunlop, St. Gobain, Sanders & Sidney, Siebe, Sotheby's Class 'A', Tarmac (J.), INSURANCE (1) Amer. Int'l. Grp., LEISURE (1) Ulster TV N/V 'A', MOTORS (1) Volvo, PROPERTY (3) HK Land, London Shop, Town Centre, SHIPPING (2) Bergesen d-y AS 'A', Sea Containers, TRUSTS (36), OILS (1) Premier Cons.

NEW LOWS (22).
STORES (3) Owen & Robinson, Sock Shop, Vivat, ELECTRICALS (1) Riva Grp., FOODS (1) Northumbrian Foods, INDUSTRIALS (3) BLP, Bluebird Toys, Kitty Little, Pergamon '95, Security Archives, Tech. Project Serv., INSURANCE (1) FAI Insce., LEISURE (1) Prestwich, PAPERS (1) City of Lon. Pf., PROPERTY (1) Cussins Prop., TEXTILES (1) Murdon, TRUSTS (1)Welsh Ind'l. Inv. Tst., OILS (1) ELF UK 12¼ Ln., MINES (4).

APPOINTMENTS

BNF reorganisation

■ BRITISH NUCLEAR FUELS is to introduce organisational changes from March 1. Chairmanship of ten divisional boards will be shared by Dr W.L. Wilkinson, deputy chief executive, and Mr A. Johnson, director spent fuel management services. The change involves the following senior appointments: Dr G.G. Butler, to director and general manager, fuel division; Dr P.C. Upson, to director and general manager, enrichment division; Dr A.D. Stephens, to director, engineering division; Mr K.G. Jackson, to director, THORP construction division; Mr P.F.P. Roberts to director, oxide reprocessing division; Mr G.R. Smith, to director, Magnox reprocessing division and head of the Sellafield site; Mr J.R. Cross, to head of a new decommissioning unit; Mr J.M. Glanville, to assistant director, engineering and services, Magnox reprocessing; Dr W.S.J. Kelly, to assistant director, THORP; and Mr J.R. Smith, to assistant director, enrichment division.

Christopher Reeves joins Merrill Lynch

■ *Mr Christopher Reeves*, the former chief executive of Morgan Grenfell, has been appointed vice-chairman of MERRILL LYNCH EUROPE, *writes David Lascelles, Banking Editor*. Mr Reeves will be responsible for policy on the business development side.

He resigned from Morgan Grenfell nearly two years ago in the wake of the Guinness scandal in which Morgan was closely involved. He later became a consultant to Merrill Lynch in New York amid reports that the Bank of England had vetoed his appointment to an executive position. Those reports were denied by Merrill. Mr Reeves has never been charged with any offences connected with Guinness.

A Merrill spokesman said yesterday that the Bank had now approved the appointment of Mr Reeves to the vice-chairmanship. Mr Reeves has also registered with the Securities Association, the regulator of the securities business.

Mr Reeves, who will be based in London, will report to Mr John Heimann, chairman of Merrill's executive committee for Europe and the Middle East.

■ Sir Nicholas Goodison, chairman of TSB, has been appointed a non-executive director of the BRITISH STEEL CORPORATION.

■ Mr Timothy R. Howe has been appointed a director of SINGER & FRIEDLANDER HOLDINGS. He is a director of Singer & Friedlander *Investment Management*.

■ Mr Michael Rayner has been appointed company secretary of FUTURA HOLDINGS, Stalybridge, Cheshire, succeeding Mr Alfred Powell who has retired.

■ ROCKWARE GROUP has appointed Mr Simon Jennings as marketing director of Rockware Plastics. He was marketing strategy manager of Rockware Group.

■ Mr Grahame T. Whitehead, assistant director, finance, for the ROYAL BANK OF SCOTLAND GROUP, has been seconded as senior vice president and controller of the group's recent acquisition, Citizens Financial Group, Inc., Providence, Rhode Island, US.

■ Managing director of Castle *Cement*, Mr Leslie Hewitt, has been appointed a director of SCNCEM INTERNATIONAL, which produces and trades in cement and coal worldwide. Both companies are jointly owned by Aker of Norway and Euroc of Sweden.

■ EIS GROUP has appointed Mr F.K. Wright, as divisional director and managing director of the Flexibox International Group. *Mr Francois Surand*, directeur generale of Flexibox SA, Rouen, French subsidiary of Flexibox International, has been appointed to the board of Flexibox International. Mr David Mitchell succeeds Mr Wright as director and general manager of Flexibox, the UK *subsidiary*. He was sales and marketing director.

Hill Samuel regional post

■ HILL SAMUEL, the merchant bank which has now become part of the TSB Group, is bolstering its corporate finance presence in the Midlands and South-West, *writes Nikki Tait*.

Mr Edmund Bruegger has been appointed as a resident coprorate finance representative in the area. Mr Brugger previously worked for stockbrokers, Stock Beech, and before that, AMRO Bank and Kleinwort Benson. Hill Samuel already has a director based in the North of England, and says this appointment is aimed at increasing its regional representation.

■ We regret that the photographs of Mr Christopher Fox, of Norwest Holst, and Mr Graham Williams, of Norton Motors, were transposed in the Saturday, January 7, Appointments column.

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
High Income						
American Income	6	44.05	44.52	47.36	+0.72	5.79
Gilts & Fixed Int	6	110.8	110.8xd	117.6	+0.1	8.50
High Inc Equity	6	114.9	117.0xd	125.1	+2.2	4.76
Worldwide Bond	6	188.0	188.0	199.3	+1.0	4.87
Capital Growth						
American Growth	6	148.6	149.7xd	160.1	+2.4	1.46
Asian Pacific	6	69.99	71.16xd	76.1	+2.1	1.22
Assets & Earnings	6	135.6	140.0	148.9	+1.4	1.66
Capital Reserve Acc	0	80.89	80.89	81.05	+0.11	4.94
Comdty & Energy	6	88.77	88.77	94.95	+1.26	1.27
1992 Enterprise	6	46.70	47.60	50.63	+0.38	3.56
European Capital	6	75.17	75.68	80.51	+0.02	0.95
General	6	150.7	153.6	163.4	+2.2	2.75
Japan	6	100.2	101.9	108.3	+1.8	0.00
Mastertrust	6	73.11	73.11	78.20	+0.99	1.75
UK Growth Acc	6	169.2	277.2	288.5	+2.2	1.42
UK Growth Dist	6	113.6	119.0	126.5	+0.8	2.10
US Emerging Cos	6	44.06	44.60	47.13	+0.71	0.00
Income & Growth	6	254.0	260.0	276.5	+5.6	3.44
Ethical	6	41.29	42.33	45.03	+0.49	2.78

Abtrust Management Ltd (1000)H
10 Queens Terrace, Aberdeen AB9 1QJ 0224 633070

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American	5¼	40.71	40.71xd	43.30	+0.62	2.06
Australian	5¼	22.76	22.76	24.21	+0.42	1.35
European	5¼	49.81	49.81	52.99	+0.16	0.00
Extra Income	5	37.41	37.41xd	39.71	+0.26	5.02
Fund Inv Tst	5	102.8	102.8	109.3	+1.6	2.38
Do Accum	5	156.7	156.7	166.5	+2.4	2.38
Gilt & Fixed Int	5¼	21.86	21.86	23.26	+0.02	10.23
Global Income	5¼	35.53	35.53	37.80	+0.46	5.08
Income & Growth	5¼	63.26	63.26xd	67.29	+0.84	4.49
Japan	5¼	175.6	175.6	186.8	+3.7	0.01
Nth Amer Inc (z)	5	25.38	25.38	26.94	+0.46	4.03
Special Situations	5¼	61.70	61.70	65.64	+0.69	1.32
UK Growth	5	31.11	31.11	33.02	+0.33	2.93
World Gwth	5	41.09	41.09	43.61	+0.54	0.52
Formerly Sentinel Funds Management Ltd						
American Majors	5¼	57.81	57.81xd	61.71	+1.10	1.82
Amer Tech & Gen	5¼	97.49	97.49	104.0	+1.45	0.00
European Growth	5¼	34.03	34.03	36.33	-0.20	0.00
European Income	5¼	48.76	48.76	52.05	+0.09	1.93
European Spec Sits	5¼	20.19	20.19	21.55	-0.05	0.00
Exempt	1	704.3	704.3	735.8	+5.60	3.14
F East Emerg Econs	5¼	31.64	31.64	33.89	+0.49	0.00
Intl Growth	5¼	43.54	43.54xd	46.55	+0.11	0.00
Intl Income	5¼	56.94	56.94	60.78	+0.66	5.01
Jap Tech & Gen	5¼	135.5	135.5	145.7	+1.30	0.00
Pacific	5¼	280.2	280.2	300.1	+4.80	0.15
Secure Income	5	180.8	180.8	193.0	+1.70	3.76
Small Co's	5¼	53.00	53.00	56.58	+0.42	1.94
Special Sits	5	242.3	242.3	258.6	+1.40	1.60
UK General	5¼	34.57	34.57	36.90	+0.40	2.30
UK Top 100 Mgd	5¼	22.23	22.23	23.73	+0.23	2.17

Acorn Unit Trust Managers Ltd
1 White Hart Yd, London Bridge SE1 1NX 01-407 5966

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Ethical Tst ♥	5	95.66	95.66	100.4	+0.1	–

Aegis Unit Tst Mngmt Ltd (1400)F
94 Whiteladies Rd, Bristol, BS8 1QX 0272 227593

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
CAMco Intl Recovery	5	48.29	49.29	52.52	+0.66	1.50
Clifton Press Perf	6	44.78	45.40	48.30	+0.13	1.50
Global Sector Ptfolio ♦	6	47.26	47.26	50.28	+0.85	4.00
NFS Income & Gwth ♦	6	47.10	47.10	50.11	+0.01	7.00
St Nicholas Sq Gth Inc	5	42.40	42.40	45.15	+0.53	4.58
St Nicholas Sq Gth Acc	5	43.05	43.05	45.84	+0.54	4.58
Blackstone Franks UK	5	42.08	43.17	45.93	+0.46	2.50
Blackstone Franks Int	5	46.24	47.05	50.09	-0.21	0.10

AEtna Unit Trusts Ltd (1600)F
AEtna House, 2-12 Pentonville Road, London, N1 9XG
Broker Dlng 0800 010 969 Public Dlng 0800 181766

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
European Growth	5	116.7	116.7	125.4	+1.2	0.97
Exempt	2	391.3	391.3xd	412.1	+2.8	4.69
(Accum Units)	2	976.7	976.7	1028	+7.0	4.69
Far Eastern	5	233.6	233.6	250.4	+5.4	0.00
(Accum Units)	5	252.5	252.5	270.6	+5.7	0.00
Fin & Property	5	73.70	76.74	81.29	+0.2	2.61
(Accum Units)	5	120.0	125.0	132.4	+0.4	2.61
High Yield	5	78.10	80.05	84.80	+0.6	4.51
(Accum Units)	5	188.2	192.9	204.3	+1.4	4.51
Iberian Growth	5	49.52	49.52	53.02	+0.5	0.00
Income	5	305.8	311.3xd	329.8	+2.6	4.37
(Accum Units)	5	1038	1056	1119	+9.0	4.37
Intl Earnings	5	184.2	184.2	195.1	+2.0	2.89
(Accum Units)	5	279.2	279.2	295.7	+2.9	2.89
Intl Growth	5	84.48	86.34	91.95	+1.0	0.24
(Accum Units)	5	88.95	90.92	96.82	+1.1	0.24
Japan Gwth (Acc)	5	170.1	170.1	181.9	+4.0	0.00
Nth Amer Gwth	5	114.9	114.9xd	123.4	+0.4	2.59
(Accum Units)	5	135.0	135.0	145.0	+0.5	2.59
Preference	5	124.7	128.4	136.0	+0.2	9.46

Bryncourt Unit Tst Mgmt Ltd (1400)F
Hesketh Hse, Portman Sq, W1H 0JR 01-935 6382

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Income Growth	1	161.0	161.0	166.8	.....	4.85

Buckmaster Mangmt Co Ltd (1200)H
The Stock Exchange, London EC2P 2JT 01-588 2868

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Emerging Gwth	5	56.25	57.78	61.30	+0.37	1.80
(Accum Units)	5	56.68	58.21	61.76	+0.36	1.80
Fellowship Tst	5	57.33	59.04	62.64	+0.60	1.68
(Accum Units)	5	58.43	60.17	63.84	+0.62	1.68
General Inc	5	254.6	261.1	277.0	+3.5	2.73
(Accum Units)	5	423.5	434.2	460.7	+5.9	2.73
Income	5	135.4	139.8	148.3	+2.1	4.11
(Accum Units)	5	258.8	267.0	283.3	+3.5	4.11
International	5	106.7	106.7	112.8	+1.3	1.54
(Accum Units)	5	144.6	144.6	152.9	+1.7	1.54
Smaller Co's	5	90.95	93.37	99.07	+0.42	1.56
(Accum Units)	5	99.48	102.2	108.4	+0.5	1.56
Inv Portfolio	2½	47.54	49.22	50.74	+0.63	3.80

Burrage Unit Tst Mangmt Ltd (0905)F
117 Fenchurch St, London EC3M 5AL 01-480 7216

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Sk Dbl Gilt & FI	1¼	52.58	52.58	53.32	+0.04	1.36

CCL Unit Trusts Ltd (1400)F
74 Shepherds Bush Green, W12 8SD 01-740 7070

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
UK General Tst	5¼	46.13	46.13xd	50.15	+0.50	2.72
Global Tst	5¼	37.96	37.96	40.78	+0.43	2.30
Recovery Tst	5¼	48.67	48.67	53.75	+0.75	2.61

CIBC Unit Tst Managers plc (1200)H
Cottons Ctr, Cottons Lane, Ldn, SE1 2QL 01 234 6000

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Growth Fd Acc	5	92.23	93.62xd	98.80	+0.9	3.48

CS Fund Managers Limited (1000)H
125 High Holborn, London WC1V 6PY 01-242 1148

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
CS America	5	50.92	50.92	54.17	+1.21	0.95
CS International	5	50.40	50.40	53.61	+0.43	2.16
CS Japan	5	115.7	115.7xd	123.0	+2.2	0.39
CS Portfolio Inv ♦	5	59.54	59.54xd	63.34	+0.38	3.15

Canada Life Unit Tst Mgrs Ltd (1200)F
2-6 High St, Potters Bar, Herts 0707 51122

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Can Gen Dist	5	121.0	125.7	132.4	+2.10	3.24
Do Gen Accum	5	199.1	206.9	217.8	+3.40	3.24
Do Income Dist	5	85.02	88.44	93.09	+0.86	5.26
Do Inc Accum	5	191.0	198.8	209.2	+1.90	5.26
Gilt & Fxd Int	5	36.95	37.08	39.04	+0.09	8.22

Cannon Fund Managers Ltd (0700)H
1 Olympic Way, Wembley, HA9 0NB
01-902 8876. Dealing: 0800 282621

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Growth	5	31.67	34.02xd	36.19	+0.47	2.83
Income	5	40.10	43.32xd	46.09	+0.50	4.31
Far East ♦	5	30.57	31.26	33.26	+1.13	0.19
North American ♦	5	27.32	27.68	29.45	+0.59	0.70
Global ♦	5	44.15	44.88	47.74	+1.16	0.72
European	5	44.01	44.59	47.44	+0.21	1.13

Prolific Unit Tst Mngrs Ltd (1000)H
222 Bishopsgate, London EC2 01-247 7544/7

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Income	5	51.82	52.56	55.38	+1.02	4.14
Conv & Gilt ♦	5	115.6	117.6	125.9	+1.7	6.28
Euro Gwth & Inc	5	42.57	42.57	45.49	+0.05	2.52
Extra Income ♦	5	117.6	119.1xd	126.8	+2.6	4.90
Far East	5	234.4	236.0	250.8	+5.3	0.01
High Income ♦	5	79.33	80.58	85.61	+1.35	4.54
International	5	120.7	121.9	129.1	+1.9	0.01
Nth American	5	112.3	114.5	122.0	+1.8	0.01
Pref & Fxd Int ♦	5	46.40	47.11	50.02	+0.04	8.40
Special Sits ♦	5	88.56	88.56xd	94.01	+1.01	2.98
Technology	5	110.1	111.8xd	119.2	+1.4	0.01

GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new purchasers. These charges are included in the price when the consumer buys units.

OFFER PRICE
The price at which units may be bought.

BID PRICE
The price at which units may be sold.

CANCELLATION PRICE
The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price might be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over buyers.

TIME
The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: ♥ - 0001 to 1100 hours; ♦ - 1101 to 1400 hours; ♦ - 1401 to 1700 hours; ♦ - 1701 to midnight.

HISTORIC PRICING
The letter H denotes that the managers will deal on a historic price basis. This means that investors can obtain a firm quotation at the time of dealing. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

FORWARD PRICING
The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper show the prices at which deals were carried out yesterday.
Other explanatory notes contained in last column of the FT Unit Trust Information pages.

FT UNIT TRUST INFORMATION SERVICE

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

United Charities Unit Trusts (1000)M

Vanguard Trust Mngrs Ltd (1200)F

Wellington Fund Mngrs Ltd (1200)F

Wessex Asset Management (1300)F

Whittingdale Unit Tst Mgmt Ltd

Willbro Financial Services Ltd (0985)F

Window Trust Mngrs Ltd (1000)F

Wright Saligman Fund Mngrs Ltd (1000)M

The Yorkshire Unit Tst Mngrs Ltd (1100)F

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

Cont. Bd. of Fin. of Church of Englandⁱ

Charities Official Invest. Fundⁱ

Edinburgh Fund Mngrs PLC

Fidelity Investment Services Ltd

Robert Fleming & Co Ltd

Foreign & Colonial Pens Mngt Ltd

Funds in Cortⁱ

Henderson Unit Trust Management Ltd

Lazard Investors Ltd ⁱⁱ

Murray Johnstone UT Mngmt

New Court Property Fund Managers

Phillips & Drew Fund Management Ltd

J. Rothschild Fund Managers Ltd

INSURANCES

AA Friendly Society

Abbey Life Assurance Co Ltd

Local Authorities Mutual Invest. Tst.*

MIM Ltd

Morgan Grenfell Inv Mngmt Ltd

Abtrust Management Ltd

AEtna Life Insurance Co Ltd

Allianz Life Assurance Co Ltd

Ambassador Life Assce. Co Ltd

American Life Insurance Co UK

Barclays Life Assur. Co Ltd

British National FinancialServices

Canada Life Group

Clerical Medical/Fidelity International

Clerical Medical Investments Group

Clerical Medical Managed Funds Ltd

Colonial Mutual Group

Commercial Union Group

Combined Insurance Co of America

Cornhill Insurance PLC

Crown Life Assurance Group

Crown Financial Management Ltd

Cannon Assurance Ltd (z)

City of Edinburgh Life Assurance

City of Westminster Assurance (z)

Criterion Assurance Group

Crusader Insurance Plc

Devonshire Life

Eagle Star Insurance Co Ltd

Eagle Star Insur./Midland Assur.

Economic Insurance Company Ltd

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Friends' Provident

Framlington Life Insurance Ltd

GT Management Ltd

General Accident Linked Life Assurance(z)

General Portfolio Life Assce Plc

Grehsam Unit Assurance Ltd

Growth & Sec. Life Assce. Soc. Ltd

Guardian Royal Exchange

Hearts of Oak Insurance Group

Henderson Administration (z)

Hill Samuel Life Assur. Ltd (z)

Hill Samuel Life Assur. Ltd – Contd.

Imperial Trident Life Ltd

Assicurazioni GENERALI SpA

Interlife Assurance Co Ltd

Irish Life Assurance Co Plc

Lancashire & Yorkshire Assce Society

Legal & General (Unit Assur) Ltd

Legal & General (Unit Pensions) Ltd

Liberty Life Assurance Co Ltd

London Indemnity & Gnl. Ins. Co Ltd

London Life

London & Manchester Group

MGM Assurance(z)

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance Co Ltd

Merchant Investors Assurance Co Ltd – Contd.

Midland Life Limited

Municipal Life Assurance Ltd

NIM Schroder Life Assurance Ltd

NEL Britannia Assce Co Ltd

NEL Pensions Ltd

National Financial Management Corp PLC

National Mutual Life

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

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National Provident Institution
48 Gracechurch St, London EC3P 3HH 01-623 4200

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	295.9	311.5	+2.4	–
UK Equity	367.0	386.4	+4.3	–
Overseas Eq	276.4	291.0	+2.5	–
Americas	210.3	221.4	+3.1	–
Far East	347.7	366.1	+7.3	–
Property	199.0	209.5	–	–
Fixed Int	217.4	228.9	+0.3	–
Indexed Gilt	128.3	135.1	+0.5	–
Deposit	145.3	153.0	+0.1	–
Pension Fund (Accum Units)				
Managed	383.5	403.7	+3.3	–
UK Equity	429.4	452.1	+5.1	–
Overseas Eq	442.8	466.2	+7.2	–
Americas	282.7	297.6	+4.8	–
Far East	590.0	621.1	+13.7	–
Property	237.1	249.6	+0.1	–
Fixed Int	250.9	264.2	+0.5	–
Indexed Gilt	138.9	146.3	+0.5	–
Deposit	185.1	194.9	+0.2	–
NPI Pensions Management Ltd				
Managed Fund	892.1	908.0	–	–

Prices January 3 Next dealing February 1

Norwich Union Asset Management Ltd
PO Box 124, Norwich NR1 3JS 0603 683986

	Bid Price	Offer Price	+ or -	Yield Gross
NUAM Funds				
Managed Fund	55.1	58.0	+0.8	–
Stock Market Magd Fund	52.9	55.7	+0.8	–
Equity Fund	55.6	58.5	+0.9	–
International Fund	51.2	53.9	+1.1	–
European Fund	52.5	55.3	+0.4	–
North American Fund	45.5	47.9	+0.8	–
Pacific Fund	63.5	66.8	+1.1	–
Property Fund	70.0	73.7	–	–
Fixed Interest Fund	52.0	54.7	+0.2	–
Index linked Sec Fund	53.3	56.2	+0.3	–
Deposit Fund	55.4	58.4	+0.1	–
NUAM Retirement Plans				
Mixed Fund	58.6	61.7	+0.4	–
UK Ordinary Share Fd	63.9	67.2	+0.4	–
International Fund	52.7	55.5	+0.5	–
Property Fund	69.1	72.7	–	–
Fixed Interest Fund	57.0	60.0	+0.2	–
Index Linked Sec Fund	54.8	57.6	+0.2	–
Deposit Fund	60.0	63.1	–	–
NUAM (MP)				
Managed Fund	768.8	809.3	+9.6	–
Equity Fund	1501.5	1580.6	+20.4	–
Property Fund	440.9	464.2	+0.2	–
Fixed Interest Fund	387.9	408.4	+1.5	–
Deposit Fund	226.9	238.9	+0.1	–
International Fund	134.5	141.6	+2.7	–
Index Linked Sec Fund	54.1	57.0	+0.3	–

Providence Capital Life Assc. Co Ltd
30 Uxbridge Rd, London W12 8PG 01-749 9111

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity Acc	181.7	191.7	(z)	–
UK Fixed Int Acc	141.7	149.5	(z)	–
Intl Equities Acc	134.9	142.3	(z)	–
UK Managed Acc	144.0	151.8	(z)	–
Property Acc	223.9	236.2	(z)	–
Money Acc	103.3	109.0	(z)	–
Special Market Acc	107.3	113.2	(z)	–
Japan Equity Acc	140.5	148.3	(z)	–
North American Acc	88.0	92.9	(z)	–
Pacific Acc	76.0	80.2	(z)	–
Technology Acc	107.9	113.9	(z)	–
Nat Resources Acc	59.5	62.8	(z)	–
European Acc	81.5	86.0	(z)	–
Residential Prop Acc	116.3	122.7	(z)	–
Swiss Equities Acc	31.7	33.5	(z)	–
Hong Kong Acc	47.1	49.7	(z)	–
UK High Inc Eq Acc	59.2	62.5	(z)	–
Int Fixed Interest Acc	49.5	52.3	(z)	–
Int Managed Acc	47.5	50.1	(z)	–
HIP Managed Acc	102.3	107.9	(z)	–
Total Investment Bond				
UK Equity Initial		126.8	(z)	–
UK Fixed Int Initial		99.0	(z)	–
Intl Equities Initial		93.5	(z)	–
UK Managed Initial		100.7	(z)	–
Property Initial		157.6	(z)	–
Money Initial		72.6	(z)	–
Special Market Initial		85.5	(z)	–
Japan Equity Initial		112.0	(z)	–
North American Initial		70.2	(z)	–
Pacific Initial		60.6	(z)	–
Technology Initial		86.0	(z)	–
Nat Resources Initial		47.4	(z)	–
European Initial		75.0	(z)	–
Residential Prop Init		114.0	(z)	–
Swiss Equities Initial		31.5	(z)	–
Hong Kong Initial		46.2	(z)	–
UK High Inc Eq Init		58.1	(z)	–
Int Fixed Interest Init		49.2	(z)	–
Int Managed Init		47.3	(z)	–
HIP Managed Init		102.0	(z)	–
Broker Fund				
Towerhill Magd Fd Acc	42.9	45.2	(z)	–
High Performance	60.1	63.3	(z)	–
YRA Executive Fd	77.2	81.4	(z)	–
Investment Master		33.8	(z)	–
H.F. Speculator Fd		113.8	(z)	–
£ High Inc Money Fd		104.3	(z)	–
£ Global Growth Fd		107.1	(z)	–
PEP Acorn II		100.7	(z)	–
AAFS Int Man Fund		98.9	(z)	–
Individual Pension Funds				
UK Equity Acc	193.6	204.3	(z)	–
UK Fixed Interest Acc	165.0	174.1	(z)	–
Intl Equities Acc	169.8	179.2	(z)	–
UK Managed Acc	149.5	157.7	(z)	–
Property Acc	190.4	200.9	(z)	–
Money Acc	117.3	123.8	(z)	–
Special Market Acc	145.0	153.0	(z)	–

IoM AUTHORISED

BERMUDA AUTHORISED

OFFSHORE INSURANCES

JERSEY AUTHORISED

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

GUERNSEY AUTHORISED

هكذا صن الاصل

هكذا عن التحلل

FT UNIT TRUST INFORMATION SERVICE

Royal Skandia Life Assurance Ltd
Collinson Hse, Port Erin, IoM 0624 833340

Sun Alliance International Life
PO Box 77; New St, St Peter Port, Guernsey 0481 23539

Unilife Group

OTHER OFFSHORE FUNDS

Abbey Global Investment Fund

Adams & Neville Fund Mgmt (Guernsey) Ltd

Adig Investment

AEtna Federated Intl Mngrs (Lux) SA

AEtna Intl Assurance (Bermuda) Ltd

Alliance Capital Mngmt Intl

Allied Irish Fund Managers (CI) Ltd

Anglo-Swiss Asset Management Ltd

Asian Development Equity Fund

BAII Multicurrency (SICAV)

B.I.A. Bond Investments AG

BMA—Banque de Marches et d'Arbitrage

BNP Inv Mgmt (Jersey) Ltd

Julius Baer Bank & Trust Co Ltd

Bamford Brandt Guernsey Mngt. Ltd

The Bangkok Fund

Bank of America International

Bankamerica Tst Co (Jersey) Ltd

Banque Scandinave Fd. Mgrs. Ltd.

Barclays Intl Funds

Baring Fund Managers (Guernsey) Ltd

Baring International Group

Barrington Mgmt (CI)-Barrington Fd

Bermuda Intl Invest Mgmt Ltd

Brazilian Securities Ltd

Bridge Management Ltd

Bridge Singapore Asset Mngmt Ltd

Brown Shipley Fund Mgmt (CI) Ltd

Butterfield Management Co Ltd

CAL Investments (IoM) Ltd

CL-Alexanders Rouse (Bermuda) Ltd

CMI Financial Mngmt Services Ltd

CRC Asset Management Limited

Capital House Investment Management Ltd

Capital International

Cater Allen Investment Management (CI)

Cortecs International

Credit Suisse

Credit Commercial de France

DWS Deutsche Ges. F. Wertpapiersp

Daehan Investment Trust Co Ltd

Dentrust Management (Guernsey) Ltd

Dean Witter World Wide Invest. Tst SA

Delta Group

Deutscher Investment-Trust

Dollar Assets Portfolio

Drexel Burnham Lambert

Dreyfus Intercontinental Inv. Fd.

Dunedin Asset Management (Guernsey) Ltd

Duncan Lawrie Inv. Mgt. Ltd

EBC Trust Co. (Jersey) Ltd

Elders (Switzerland) Invest. Mngt. SA

Equitilink International Mngt Ltd

Ermitage Group

Eurasia Management, S.A.

Eurobligations Fd Mngt (Guernsey) Ltd

S.G. Europe Obligations SA

Europe Plus Investissement (SICAV)

European Fund Management Ltd

FFM Futures Fund Ltd

Far East Growth Fund

Fidelity International

Fleming Group

Foreign & Colonial Management Ltd

Formosa Fund

Framlington Overseas Fund Mngt. Ltd

Frankfurt Trust Investment-GmbH

Free World Fund

The French Prestige Fund

Frobisher Fund Limited

GT Investment Mngmt Co SA

GT Management Plc

Gaia Currency Hedge Funds

Gartmore Fd Mngrs (Far East) Ltd

Gartmore Fund Managers (IoM)

Gartmore Fd Mngrs Intl Ltd

Gartmore Investment Ltd

Assicurazioni GENERALI SpA

Gartrust SA

Global Asset Management Corpn

Global Government Plus Fund

Granville Management Limited

Grindlays Capel-Cure Intl Mgt Co Ltd

Group One Limited

Hambro Pacific Fund Mngmt Ltd

Hambros Fd Mgrs (CI) Ltd

Health 2000 Limited

Henderson Admin. (Guernsey)

Henderson Management SA

Henderson Global Strategy Mngmt SA

Hill Samuel Fd. Mngrs. (Guernsey) Ltd

Hill Samuel Investment Services Intl(x)

Huntington World Investors Fds Ltd

IBI Global Funds Limited

The India Fund

Indosuez Asia Invest Services Ltd

ITEC Fund Management

Intermarket Fund

International Bond Trust

International Speciality Fund

Investissements Atlantiques SA

Investment Portfolio Services (C.I.) Ltd

Ivory & Sime (Guernsey) Ltd

Ivory & Sime Pembroke Inc

Japan Selection Associates N.V.

Jardine Fleming Inv Mngt Ltd

Jardine Fleming Unit Trusts Ltd

Leopold Joseph Fund Mngmt (Guernsey)

Kleinwort Benson Group

Kleinwort Benson (Guernsey) Fd Mngrs Ltd

Kleinwort Benson Islamic Fd Mgmt Ltd

Korea Growth Trust

Korea International Trust

Lazard Offshore Funds

Le Fonds International Canagex

Liberty ALL-STAR World Equity Portfolio

Lloyds Bank (CI) U/T Mngrs

Lloyds Bank Geneva Switzerland

Lloyds Intl. Money Market Fund Ltd

London Interstate Fund Managers Ltd

London Portfolio Services plc

MFM Ltd

M & G (Cayman) Ltd

M & G Island Fund

McDonnell & Co (Bermuda) Ltd

Magnum Fund Mngmt (Bermuda) Ltd

Man International Futures

Management International (Jersey) Ltd

Mannin International Ltd

Manufacturers Hanover Geofunds

Mediterranean Fund (SICAV)

Merrill Lynch Int Capital Mngt (GSY) Ltd

Midland Bank Tst. Corp. (Jersey) Ltd

MIM Britannia International Ltd

Minerals, Oils Res. Shrs. Fd. Inc.

Multi-Currency Bond Portfolio

Murray, Johnstone (Inv. Adviser)

NICS Europe and Income Fund

NM Income & Gwth Fd

NM Schroder Financial Mngt Intl Ltd

National Mutual Insce Co (Bermuda) Ltd

Nat. Westminster Jersey Fd. Mgrs. Ltd

The New Zealand Fund

Newport International Management

Nikko Capital Mngt (Europe) Ltd

Nikko Luxembourg S.A.

Nomura Asia Europe Fund

Nomura Dragon Global Fund

Nomura Growth Fund SA

Nomura Prudential Fd Pt II

Nomura Prudential Global Portfolio

Nomura Rosenberg Alpha Fund Mark II

Northgate Unit Tst. Mngr. (Jersey) Ltd

North Star Fund Managers (Cayman) Ltd

Norway Fund Management A/S

Oppenheimer Managed Assets Co

Orbitex Bahamas Ltd

PFC Internatl Portfolio Fd Mngt Ltd

PRS International

Pacific Growth Fund

Parisbas Bond Fund SA

Perpetual UT Mngrs (Jersey) Ltd

Pierson Heldring & Pierson

Protected Performance Fund

Prudential Intl Financial Services Ltd

Putnam International Advisors Ltd

Quantum Fd NV Curacao

Quantus Fund

Rothschild Asset Management (CI)

Royal Bank of Canada Funds

Royal Trust Asselmix Fund

Royal Trust Fd Mngt Ltd

Royal Trust Intl Fd Mngmt Ltd (x)

Royal Trust North American Bond Fd

SCI/TECH SA

Sabre Fund Mngt Ltd

Saudi International (Guernsey) Ltd

Save & Prosper International

Schroder Investment Management Limited

Schroder Mngt Services (Jersey) Ltd

Schroders Asia Limited

Schroders Australia Ltd

Scimitar Worldwide Money Fund Ltd

Scimitar Worldwide Selection Fund Limited

Seringeour Kemp-Gee Mngmt., Jersey

Security Pacific Funds S.A. Lux.

Seoul International Trust

The Siam Fund (Cayman) Ltd

Simmons International Fund-SICAV

Singer & Friedlander Ldn. Agents

Skandifond

Societe Generale Asset Mngt Ltd

Sterling Offshore Fund Admin. Ltd.

Stonehage Fund Mngrs Ltd

Strategic International Gold Fund S.A.

Strategic Metals Corp plc Metal Funds

Stronghold Investment Mngrs

Sun Life Global Management Ltd.

TSB Trust Funds (CI)

Taipei Fund

Taiwan (ROC) Fund

Target International (Europe) Ltd

Target International Fountain Fund

Target Internat. Management (Jersey) Ltd

Target International (Isle of Man) Ltd

Templeton Galbraith & Hansberger Ltd

The Thai-Euro Fund Ltd

The Thailand Fund

The Thailand Growth Fund (1000)F

The Thailand Intl Fund Ltd

Thornton Investment Management Ltd

Three-Way Asset Allocation Funds

Top Brand Fund Intl-SICAV

Transworld Bond Trust

Tyndall International (Bermuda) Ltd

Tyndall International (Guernsey) Ltd

Tyndall International (Jersey) Ltd

USA Income Portfolio

US Federal Securities Fund SA

US Pacific Stock Fund

U.S. Treasury Securities Fund Ltd

Unico Invest Fd Mgt Co SA Lux

Union-Investment-Gesellschaft GmbH

Viking Fund-SICAV

Warburg Investment Management Jersey Ltd

Warburg Inv Mngmt (Isle of Man) Ltd

Wardley Fund Managers (Jersey) Ltd

Wardley Investment Services Ltd

Wellington Fd Mngrs (Guernsey) Ltd

World Bond Fund-SICAV

World Capital Gwth Fd-SICAV

World Fund S.A.

World Natural Resources

Yamaichi Capital Mangmt (Guernsey) Ltd

Yamaichi Dynamic Mngt Co SA

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102⅝	99⅛	Treas 11½pc 1989	99⅞	......	11.53	12.69
101⅛	98⅝	Treas 9½pc Cnv 1989	99¼	......	9.58	12.52
97¾	95⅛	Treas 3pc 1989	97¾	+⅛	3.07	10.17
102⅛	98⅝	Treas 10½pc 1989	99⅛	......	10.59	12.45
102	98⅛	Exch 10pc 1989	98⅞xd	......	10.12	12.43
103⅝	98⅞	Exch 11pc 1989	99⅛	......	11.09	12.16
97⅝	94⅝	Treas 5pc 1986-89	96⅝	+⅛	5.21	10.54
104⅝	98⅝	Exch 10¼pcCv '89	99¼	......	10.34	11.53
107½	101¼	Treas 13pc 1990‡‡	101⅞xd	+⅛	12.84	11.66
104¾	99⅛	Exch 11pc 1990‡‡	99⅜xd	+⅛	11.07	11.66
107⅞	100¼	Exch. 12½pc 1990	100⅞	+⅛	12.38	11.64
93¾	90⅛	Treas. 3pc 1990	91⅝	+⅛	3.28	10.08
99¾	95⅛	Treas 8¼pc 1987-90‡‡	95⅞	+⅛	8.60	11.46
102¼	95¾	Treas. 8pc Cv 1990 ‡‡	96⅛xd	+⅛	8.30	10.64
103⅞	97¼	Treas. 10pcCv 1990	97⅞	+⅛	10.23	11.38
91⅝	87⅞	Exch 2½pc 1990	88¼	+⅛	2.84	9.59
107¾	100⅞	Treas 11¾pc 1991	100⅞xd	+⅛	11.68	11.40
95⅛	89⅞	Funding 5¾pc '87-91‡‡	90¼	+⅛	6.37	10.77
90⅞	86	Treas. 3pc 1991	86⅝	+⅛	3.47	9.61
105⅞	97⅞	Treas 10pc Cv '91 ‡‡	98⅛xd	+⅛	10.20	10.92
107⅞	98⅞	Exch. 11pc 1991	99⅞	+⅛	11.04	11.10
98⅞	91⅞	Treas. 8pc 1991	92⅞	+⅛	8.65	11.10
113⅛	103⅞	Treas 12¾pc 1992‡‡	104⅞xd	+⅛	12.19	10.94
104⅞	96⅝	Treas 10pc 1992	97⅛	+⅛	10.26	10.97
98⅞	91¼	Treas. 8pc 1992 ‡‡	92⅛	+⅛	8.67	10.88
106¾	98⅛	Treas 10½pc Cv 1992‡‡	99⅛	+⅛	10.62	10.91
86⅞	81⅞	Treas. 3pc 1992	82⅛	+⅛	3.64	9.11
112⅞	102⅞	Exch. 12¼pc '92	103⅞	+⅛	11.81	10.95
117⅞	106⅞	Exch 13½pc 1992	107⅞	+⅛	12.49	10.77
97⅛	91	Treas 8¼pc 1993	92⅛	+⅛	8.94	10.57
105⅞	96⅞	Treas 10pc 1993‡‡	98⅛	+⅛	10.17	10.47
115⅞	105⅛	Treas 12½pc 1993‡‡	106⅞xd	+⅛	11.73	10.65
93⅛	85¼	Funding 6pc 1993‡‡	85⅞	+⅛	6.97	9.76
121⅛	110⅛	Treas 13¾pc 1993‡‡	111⅞	+⅛	12.32	10.64

Five to Fifteen Years

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101⅞	90⅞	Treas. 8½pc 1994	91⅞xd	+⅛	9.26	10.62
94⅞	90⅞	Treas 8½pc 1994 A	92xd		9.26	10.64
125¾	113⅞	Treas 14½pc 1994‡‡	115	+⅛	12.59	10.60
120⅞	109⅞	Exch 13½pc 1994	110⅞	+⅛	12.15	10.68
105⅞	96⅞	Treas. 10pc Ln. 1994‡‡	98⅛	+⅛	10.18	10.43
116⅞	106⅛	Exch. 12½pc 1994	107⅛	+⅛	11.65	10.72
101⅞	92¾	Treas 9pc 1994‡‡	93⅞	+⅛	9.58	10.39
114⅞	104⅞	Treas 12pc 1995	105⅞xd	+⅛	11.33	10.64
83½	77	Exch 3pc Gas 90-95	79¼	......	3.76	7.03
106¾	97⅞	Exch. 10¼pc 1995	99xd	+⅛	10.36	10.48
120⅛	109¾	Treas 12¾pc 1995‡‡	110⅞	+⅛	11.52	10.51
126⅞	114⅞	Treas. 14pc '96	116⅛xd	+⅛	12.05	10.66
101⅞	92¾	Treas. 9pc 1992-96‡‡	93⅞	+⅛	9.58	10.21
133¾	122⅛	Treas 15¼pc 1996‡‡	123⅛	+⅛	12.35	10.56
123¾	112⅛	Exch 13¼pc 1996‡‡	113⅞	+⅛	11.64	10.496
105¾	96⅞	Conversion 10pc 1996	98⅛	+⅛	10.19	10.34
124⅞	113⅞	Treas 13¼pc 1997‡‡	114⅞xd	+⅛	11.58	10.53
108⅞	99⅛	Exch 10½pc 1997	100⅛	+⅛	10.47	10.43
98⅞	90⅞	Treas 8¾pc 1997‡‡	91⅞	+⅛	9.55	10.23
134⅞	123⅝	Exch 15pc 1997	124⅝	+⅛	12.08	10.67
104	95⅞	Exch. 9¾pc 1998	97⅛xd	+⅛	10.07	10.31
87⅛	80⅞	Treas 6¾pc 1995-98‡‡	81⅞	+⅛	8.30	9.85
140¼	129¼	Treas. 15½pc '98‡‡	130⅛	+⅛	11.94	10.52
118⅛	108⅞	Exch. 12pc 1998	110	+⅛	10.93	10.39
103⅞	95¼	Treas 9½pc 1999‡‡	96⅞xd	+⅛	9.84	9.98
120⅛	110⅞	Exch. 12¼pc 1999	112	+⅛	10.93	10.31
109⅛	100⅞	Treas. 10½pc 1999	101⅞	+⅛	10.35	10.26
107⅞	99⅞	Conversion 10¼pc 1999	100⅛	+⅛	10.25	10.25
100¼	86⅞	Treas. 8½pc Ln 2000‡‡	90½xd	+⅛	9.39	9.93
99⅞	92⅞	Conversion 9pc 2000‡‡	93⅛	+⅛	9.66	10.03
126⅞	116¾	Treas. 13pc 2000	117⅞xd	+⅛	11.06	10.36
106⅞	98⅞	Treas 10pc 2001	99⅞	+⅛	10.07	10.08
129⅞	119⅞	Treas. 14pc '98-01	120⅝	+⅛	11.60	10.57
104¾	97⅛	Conversion 9¾pc 2001	98⅛xd	+⅛	9.96	10.05
118⅛	108⅞	Exch. 12pc '99-02	109⅞xd	+⅛	10.94	10.42
107½	99⅞	Conversion 10pc 2002	100⅝	+⅛	9.98	9.96
105⅞	97⅞	Treas 9¾pc 2002	98⅞	+⅛	9.89	9.92
99⅞	92⅞	Exch. 9pc 2002	93⅞	+⅛	9.62	9.85
131⅛	121⅛	Treas. 13¾pc 2000-03	122⅛xd	+⅛	11.25	10.40
108	100¼	Treas 10pc 2003	101⅞	+⅛	9.86	9.80

Over Fifteen Years

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
117⅛	108¼	Treas. 11½pc 2001-04	109⅞	+⅛	10.56	10.20
108¼	100⅞	Treas. 10pc 2004	102⅞	+⅛	9.78	9.71
61	54⅞	Funding 3½pc '99-04	57⅞xd	+⅛	6.06	8.43
104⅞	97⅛	Conversion 9½pc 2004	99¼	+½	9.63	9.66
104⅞	97⅛	Conversion 9½pc 2005	99½	+½	9.60	9.62
113⅝	105⅞	Exch.10½pc 2005	107⅞	+½	9.79	9.61
128⅛	118⅞	Treas. 12½pc 2003-05	120⅞	+⅛	10.38	9.85
92⅛	85⅛	Treas. 8pc 2002-06‡‡	87½	+½	9.53	9.47
106⅞	99⅞	Conversion 9¾pc 2006	102⅛	+½	9.53	9.47
121⅞	112⅞	Treas. 11¾pc 2003-07	114⅛xd	+⅛	10.25	9.81
97⅛	89⅞	Treas 8½pc 2007 ‡‡	92⅛xd	+⅛	9.16	9.33
137⅛	127⅛	Treas. 13½pc '04-08	129¾	+⅛	10.39	9.69
101⅞	94⅛	Treas. 9pc 2008 ‡‡	97½	+⅛	9.23	9.28
92⅞	85	Treas 8pc 2009	89¼	+⅛	8.99	9.19
101⅛	93¼	Conv 9pc Ln 2011 ‡‡	99⅛xd	+⅛	9.08	9.10
68⅞	62¼	Treas. 5½pc 2008-12‡‡	66½	+⅛	8.24	8.88
89¼	82⅛	Treas. 7¾pc 2012-15‡‡	87⅛xd	+⅛	8.89	9.04
131¼	121⅞	Exch. 12pc '13-'17	128⅛	+½	9.34	9.09

BRITISH FUNDS—Contd

Undated

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
44⅞	41⅞	Consols 4pc	43⅞xd	+⅛	9.16	–
40⅛	37⅛	War Loan 3½pc‡‡	37⅞	+⅛	8.93	–
62⅞	48⅞	Conv. 3½pc '61 Aft	61⅛	+⅛	5.73	–
33¾	30⅞	Treas. 3pc '66 Aft	32¼	+⅛	9.30	–
28⅛	26¼	Consols 2½pc	27⅞xd	+⅛	9.03	–
29⅞	26⅛	Treas. 2½pc	27⅝	+⅛	9.05	–

Index-Linked

1988/89 High	Low	Stock (b)	Price £	+ or −	(1)	(2)
124⅞	117½	Treas 2pc IL '90(84.6)	124⅞xd	+⅛	1.27	3.75
105⅞	99⅛	Do. 2pc '92‡‡(97.8)	103¼	−⅛	3.01	3.84
96⅞	92½	Do. 2 '94 (102.9)	95⅛	−⅛	3.36	3.85
142⅞	127¾	Do. 2pc '96(67.9)	139⅞	−⅛	3.42	3.76
121⅞	103⅞	Do 2½pc '01(78.3)	119⅛	+⅛	3.58	3.83
118⅞	101⅝	Do. 2½pc '03(78.8)	116¼	+⅛	3.64	3.86
120⅞	102½	Do. 2pc '06(69.5)	118⅞xd	+⅛	3.68	3.86
113¼	95⅞	Do. 2½pc '09(78.8)	111⅛	+⅛	3.67	3.84
117⅞	99⅞	Do. 2½pc '11(74.6)	116⅛	+⅛	3.65	3.81
97⅞	82⅛	Do. 2½pc '13(89.2)	96⅝	+⅛	3.65	3.79
105⅞	88⅞	Do. 2½pc '16(81.6)	104⅛xd	+⅛	3.56	3.70
103⅝	87⅛	Do. 2½pc '20(83.0)	102⅛	+⅛	3.51	3.63
87⅛	73	Do. 2½pc '24‡‡(97.7)	86⅛xd	+⅛	3.47	3.58

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for April 1988:105.8 and for November 1988:110.0

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
109⅛	100⅞	African Dv Bk 11¼Ln 2010	104xd	+⅛	10.70	10.64
104⅞	96⅞	Asian Dev Bk 10¼pcLn2009	100⅛	+⅛	10.23	10.23
129⅞	120⅞	Australia 13½pc 2010	125⅛	+⅛	10.79	10.55
112⅞	103¼	Do. 11½pcLn2015	108⅞	+⅛	10.46	10.39
110⅞	103⅝	Euro Inv Bk 11pc Ln 2002	103⅞	+⅛	10.60	10.46
105⅞	98⅞	Do. 10¼pc2004	99⅞	+⅛	10.41	10.41
120¼	112⅞	Int-Am Dev Bk 12½pc 2003	113⅞xd	+⅛	10.97	10.57
98⅞	91⅛	Do. 9¾pcLn 2015	95½	+⅛	10.21	10.24
96½	86	Mlysia 10¼pcLn 2009	94¼	......	11.46	11.53
121	87⅞	Utd. Mexican States 16½pc 2008	118	......	13.98	13.80

CORPORATION LOANS

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
111	100½	Birmingham 13½pc 1989	100½	......	13.43	11.20
115½	101⅞	Do. 11½pc 2012	107½	......	10.70	10.60
94¾	86½	GLC 6¾pc 1990-92	87½	......	7.71	11.60
130	117½	Leeds 13½pc 2006	117½	......	11.49	11.16
34	26¼	Liverpool 3½pc Irred	33xd	......	10.61	–
97	90½	LCC 6¾pc '88-90	92½xd	......	7.30	11.80
31	25	Do. 3pc '20 Aft	28	......	10.71	–
112	100	Manchester 11½pc 2007	104½	......	11.00	10.90

COMMONWEALTH & AFRICAN LOANS

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
93½	86½	NZ 7¼pc 1988-92	86¾xd	......	8.36	11.80
207	197	S Rhod 2½pc Non-Asstd	206	......	–	–
84½	71½	Do. 4½pc 87-92 Asstd	84½	......	5.33	9.33

LOANS

Building Societies

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅝	98⅞	N'wide Anglia 9⅞pc 23.1.89	99⅞	......	9.83	13.71
100⅞	98⅞	Do. 9⅞pc 20.2.89	99⅞	......	9.99	13.38
100⅞	98⅛	Do. 9⅞pc 13.3.89	99¼	......	9.76	13.66
100⅛	97⅝	Do. 9⅛pc 17.4.89	98¾	......	9.30	13.58
100⅝	97⅝	Do. 9½pc 8.5.89	98⅞	......	9.63	13.56
100	97⅛	Do. 8⅞pc 30.5.89	98¼	......	9.10	13.53
100	93½	Do. 9⅞pc 26.6.89	98⅞xd	......	9.88	13.52
100	98⅛	Do. 10⅞pc 17.7.89	98⅝xd	......	10.84	13.58
100	94½	Do. 11⅛pc 7.8.89	98⅞	......	11.21	13.49
100⅛	98⅞	Do. 11⅝pc 29.8.89	98⅞	......	11.71	13.46
100⅝	99⅞	Do. 12⅜pc 18.9.89	99⅛	......	12.47	13.44
100⅝	98⅞	Do. 12⅞pc 2.10.89	99⅛	......	13.05	13.41
100	98⅞	Do. 11⅞pc 6.11.89	98⅞	......	11.96	13.29
100½	99⅛	Do. 12⅜pc 4.12.89	99⅛	......	12.42	13.25
101⅛	87⅞	Do. 3⅞pcIL Ln 2021	101⅛	+⅛	4.30	4.43

Public Board and Ind.

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
96	90	Agric. Mt. 5pc '59-89	95xd	......	5.26	8.51
48½	40	Met. Wtr. 3pc 'B'	45	......	6.67	10.45

Financial

1988/89 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
105	99⅞	3i 11¾pc Un Ln '90	99½	......	11.82	12.46
95½	86¼	Do 7¼pcADb89-92	87¼xd	+¼	8.32	11.40
110	101⅝	Do. 12½pc Un. Ln. 1992	102⅛	+⅛	12.23	11.66
93½	82¾	Do. 7¼pc A 1991-94	83⅞	+⅛	8.65	11.16
101¼	90¼	Do. 9pc A 1991-94	94¾	+½	9.50	10.28
100	88¼	Do. 8¾pc Ln 1992-97	89⅛	+⅛	9.96	10.95

FOREIGN BONDS & RAILS

1988/89 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
45	35	Greek 7pc Ass	45	......	3.50	17.78
45	33	Do. 6pc 28 Stb. Ass	45	......	3	16.67
45	33	Do 4pc Mixed Ass	45	......	2	14.44
80	63	Hung. '24 Ass	80	......	2.75	13.57
140⅞	128⅞	Hydro Quebec 15pc 2011	134½	+⅛	15.00	10.86
131¼	13⅞	Iceland 14½pc Ln 2016	123⅛	+⅛	14.50	11.64
101¼	37⅞	Ireland 9¾pc '91-96	95	......	9.75	10.70

AMERICANS

1988/89 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
29½	22¼	Abbott Laboratories$	26¾xd	−⅛	$1.20	–	2.5
649p	340p	♦Allegheny & W 1c	397p	+13	30c	–	4.2
14⅞	862p	Amax $1	13¼	+⅛	40c	–	1.7
15⅞	8⅞	Amdahl 5c	11⅛xd	+⅛	h10c	–	0.5
31⅛	22	Amer. Cyanamid $5	27	+⅛	$1.20	–	2.5
17¾	11¼	Amer. Express 60c	15⅛xd	−⅛	84c	–	3.0
10⅝	668p	Amer. Medical Int. $1	928p	−9	♦72c	–	4.3
17¼	13⅞	American T. & T. $1	16	+⅛	$1.20	–	4.1
56½	44⅞	Ameritech $1	53½	+⅛	$5.40	–	5.6
19⅝	15⅞	Anheuser-Busch $1	17⅛	+⅛	72c	–	2.2
10⅛	3⅛	BankAmerica $1 ℞	10⅛	+⅛		–	–
24½	16⅛	Bankers N.Y. $1	20⅝xd	......	$1.86	–	5.0
43	34¼	Bell Atlantic $1	39⅞	+⅛	$4.08	–	5.7
25⅝	19⅛	BellSouth Corp	22⅛xd	+⅛	$2.36	–	5.9
15⅛	850p	♦Bethlehem Steel $8	13⅛	+⅛		–	–
13⅛	801p	♦Bio-Rad Labs. A	948p	......		–	–
23⅛	14	Bowater Inc	16¼	+⅛	$1.12	–	3.9
16⅝	11⅞	Browning-Ferris 16.6c	15⅛xd	+⅛	56c	–	2.0
13¼	787p	Brunswick 75c	9⅞xd	+⅛	44c	–	2.5
33¼	21⅝	CPC Intnl. 25c	29⅛	+⅛	$1.44	–	2.7
18¾	13¼	CSX $1	18⅛	+⅛	$1.24	–	3.7
965p	134p	California Engy	965p	+41		–	–
16¼	11⅛	CalFed Inc $1	13	+⅛	$1.40	–	6.0
20¼	12⅝	Campbell Soup 15c	17⅛xd	−⅛	84c	–	2.7
39⅝	31⅛	Caterpillar Inc $1	37⅝	+⅛	$1.20	–	1.8
18½	11⅛	Chase Manhattan $12½	16⅛xd	+⅛	$2.16	–	7.4
19⅞	11¼	Chem. Banking Corpn	17½	+⅛	$2.72	–	8.6
15⅞	11	Chrysler $6¼	15⅛xd	+⅛	$1.00	–	3.6
15⅛	9⅞	Citicorp $1	14½	+⅛	$1.48	–	5.6
297p	167p	CityFed Fin. Corp	172p	......	4c	–	1.3
28¼	20⅛	Colgate-Palmolive $1	25⅛xd	−⅛	s$1.48	–	3.2
20½	13½	Cons Freightways 62½c	18⅛	+⅛	98c	–	2.9
14	536p	Cont'l Bank Corp $4	11½	+⅛	8c	–	0.4
14p	6¼p	Cont. Illinois Hldgs $1	7p	......		–	–
428p	117p	♦Corporate Data Scnce	384p	+22		–	–
510p	234p	Cullinet Sftwr 1c	368p	−2		–	–
22⅞	17⅛	Dana Corp. $1	22½	+⅛	$1.60	–	3.9
15⅛	943p	Data General	10⅝	+⅛		–	–
32⅝	24⅛	Dun & Bradstreet $1	30⅛	......	$1.74	–	3.2
49⅞	27⅞	Eaton Corpn. 50c	32⅞	+1⅛	h$2.00	–	3.4
18¾	14⅝	FPL Group 1c	17⅛xd	+⅛	$2.20	–	7.0
31⅞	20⅛	Ford Motor $1	29xd	+⅛	$2.40	–	4.6
32⅛	20⅛	GATX 62½c	32⅛xd	+⅛	$1.80	–	3.1
26⅞	20⅝	Gen. Elect. 63c	25⅛	+⅛	$1.40	–	3.1
700p	425p	♦General Host Corp $1	533p	+16	28c	–	2.9
25⅛	15¼	Gillette $1	19⅞	+⅛	86c	–	2.4
803p	474p	Gt Am First Svgs Bk $1	659p	+18	60c	–	5.0
21¼	13⅝	Greyhound $1½	16¾xd	+⅛	$1.32	–	4.3
976p	654p	Hasbro Inc 50c	887p	+22	12c	–	1.0
8½	5⅛	Home Group $1	6¼xd	+⅛	20c	–	–
42⅛	28⅞	Honeywell $1½	34⅝	+⅛	$2.10	–	3.4
28¼	15¼	Hospital Corp Am $1	26¼	+⅛	72c	–	1.5
19½	14⅝	Houston Inds. ‡	15⅛	+⅛	$2.96	–	10.5
75⅝	55¼	IBM Corpn $1¼	68⅞xd	+⅛	$4.40	–	3.5
31¼	23⅝	ITT Corpn. $1	29½	+⅛	$1.48	–	2.8
105p	40p	♦Image Storage/R.Sys.1c ♦	52p	......		–	–
26⅝	17⅛	Ingersoll-Rand $2	20⅛	+⅛	$1.04	–	2.8
26¼	18½	Lockheed Crpn. $1	23⅛	+⅛	$1.60	–	3.7
19⅛	11½	Lone Star Inds $1	15⅛	......	$1.90	–	6.6
19⅛	15¼	Louisiana Land 15c	18⅛xd	+⅛	$1.00	–	3.0
13¼	860p	Lowe's 50c	12	+⅛	48c	–	2.2
18⅛	10¼	Manuf. Hanover $1	16¼	+⅛	$3.28	–	11.2
16⅞	11⅞	Merrill Lynch $1	14½	+⅛	$1.00	–	3.8
2437p	1137p	♦Molex Inc	2204p	+23	3.2c	–	–
23¼	16½	Morgan (JP) $2½	19½xd	+⅛	$1.60	–	4.7
40¼	32⅝	NYNEX $1	37¼	+⅛	$4.04	–	6.0
20⅝	15	PHH Corp. ‡	19⅛	+⅛	$1.12	–	3.2
308p	99p	♦Pacific Agr. ‡	226p	+1		–	–
21⅝	16⅞	Pacificorp $3¼	19½	+⅛	$2.64	–	7.5
18¼	13⅛	Pacific Telesis 10c	17½	+⅛	$1.76	–	5.6
18¼	13¼	Pall Corp. 25c	16½xd	+⅛	40c	–	1.4
44⅞	34½	Pennzoil 83 1/3c	41⅞xd	+⅛	$3.00	–	4.0
21¼	11⅞	Premark Intl.	17⅞	+⅛	60c	–	1.9
34¼	21⅛	Quaker Oats $5	30½	+⅛	$1.20	–	2.2
52¼	23⅞	RJR Nabisco Inc	52¼	+1⅛	♦$2.20	–	2.3
29⅞	21	Rep NY Corpn $5	24⅛xd	+⅛	$1.20	–	2.7
13¼	9⅛	Rockwell Intl. $1	12⅛	+⅛	72c	–	3.3
28⅛	18⅝	Sara Lee $1 1/3	25⅛xd	+⅛	$1.44	–	3.1
24	18	Southwestern Bell $1	22⅝	+1	$2.48	–	6.1
20⅞	12⅞	Sun Co. Inc. $1	17⅞	+⅛	$1.80	–	5.6
29⅛	22¼	TRW Inc. 62½c	23⅞	+⅛	$1.72	–	4.0
15⅛	754p	TW Services $5	15¼	+⅛	10c	–	0.4
28⅝	21¼	Tenneco $5	27⅞	+⅛	$3.04	–	6.0
29⅝	19⅞	Texaco $6.25	29¼	−⅛	♦$3.00	–	5.6
27¼	19¼	Texas Instr. $1	23½xd	......	72c	–	1.7
70⅛	43¼	Time Inc. $1	60xd	+⅛	$1.00	–	0.9
21½	15⅝	Transamerica $1	19½xd	+⅛	$1.84	–	5.3
20¼	13½	TRINOVA Corp	16½	+⅛	64c	–	2.2
19	14⅛	USX $1	17⅛	+⅛	$1.40	–	4.4

Continued on next page

Money Market Trust Funds

Charities Aid Fndtn Money Mngmt Co Ltd
Staple Hall, Stone Ct, Houndsditch, EC3 01-283 6461

	Gross	Net	Gr Equiv CAR	Int. Cr
CAFCASH Call Fund	12.30	9.44	13.04	3-mth
CAFCASH 7-day Fund	12.32	9.45	13.06	3-mth

The Charities Deposit Fund
2 Fore Street, London EC2Y 5AQ 01-588 1815

	Gross	Net	Gr Equiv CAR	Int. Cr
Deposit	12.40	–	12.99	3-Mth

Gartmore Money Management Ltd
61 Queen St, London, EC4R 1PH. 01-236 1425

	Gross	Net	Gr Equiv CAR	Int. Cr
Call Fnd	12.53	9.62	13.13	6-Mth
7-day Fund	12.56	9.64	13.16	6-Mth
Dollar	8.00	6.14	8.39	3-Mth

Money Market Bank Accounts

AAB-Allied Arab Bank Ltd
97-101 Cannon St, London, EC4N 5AD 01-629 6802

	Gross	Net	Gr Equiv CAR	Int. Cr
HICA (£2000+)	12.50	9.59	13.37	Mth

Aitken Hume
30 City Road, EC1Y 2AY 01-638 6070

Treasury Acc	10.75	8.25	11.35	Qtr
Mth Int Chq £1000-£5000	10.50	8.06	11.16	Mth
Mth Int Chq £5,000+	10.75	8.25	11.43	Mth

Bank of Ireland High Interest Cheque Acc
36 Queen St, EC4R 1BN. 01-329 4500

2,000-9,999	11.736	9.000	12.411	Qtr
£10,000+	12.052	9.250	12.768	Qtr

Bank of Scotland
38 Threadneedle St, EC2P 2EH. 01 601 6746

Money Mkt Cheque Acc	11.60	8.90	12.37	Mth

Barclays Prime Account
PO Box 125, Northampton 0604 252891

Benchmark Bank PLC Premier Account
9 Henrietta Place, W1M 9AG. 01-631 3313

Brown Shipley & Co Ltd
Founders Court, Lothbury, London EC2 01-606 9833

Demand Acc	11.75	9.02	12.44	Qtr

Charterhouse Bank Limited
1 Paternoster Row, EC4M 7DH. 01-248 4000

Sterling	12.00	9.21	12.81	Mth
U.S. Dollar	8.00	6.14	8.42	Mth
German Marks	3.50	2.69	3.43	Mth
Swiss francs	3.00	2.30	3.10	Mth
Japanese Yen	3.00	2.30	3.10	Mth

Citibank Savings
St Martins Hse, Hammersmith Grove W6 01-741 4941

£2,000-£24,999	9.25	7.50	10.35	Mth
£25,000	9.75	8.00	11.06	Mth

Clydesdale Bank PLC
30 St Vincent Place, Glasgow G1 2HL 041 248 7070

High Int Chq Acc	11.0	8.50	11.70	Qtr

Co-operative Bank Top Tier
78-80 Cornhill EC3 01-626 6543

£1,000-£2,499	9.78	7.50	10.20	Qtr
£2,500-£9,999	11.06	8.50	11.56	Qtr
£10,000+	11.72	9.00	12.26	Qtr

Dartington & Co Ltd
9 The Crescent, Plymouth PL1 3AB 0752 673873

Money Mkt Acc	11.75	9.02	12.45	Qtr

Financial & General Bank plc
13 Lowndes Street, London, SW1X 9EX 01-235 0036

H.I.D.A. £5,000-£15,000	12.00	9.21	12.80	Qtr
H.I.D.A. £15,000+	12.25	9.40	12.97	Qtr

Gartmore Money Management Ltd
61 Queen St, London EC4R 1PH 01-236 1425

Money Mngt. Acct.	12.00	9.21	12.45	Mth

Girobank plc High Interest Cheque Acc
10 Milk St, London EC2V 8JH 01 600 6020

£1,000-£3,999	8.75	7.75	10.33	Yearly
£4,000-£9,999	9.25	8.10	10.80	Yearly
£10,000+	10.50	9.10	12.13	Yearly

Grofund Inv Mngrs/Allied Irish Bank
High Interest Cheque Account
8-9 Austin Friars, London EC2N 2AE 01-588 5317

£1,500+	12.30	9.44	13.05	Qtr

Humberclyde Finance Group
Chalfey Ct, Winchester Rd, Basingstoke 0256 846833

£500-£2,499	11.0	8.44	11.52	Qtr
£2,500-£9,999	11.5	8.82	12.06	Qtr
£10,000-£49,999	12.0	9.21	12.59	Qtr
£50,000+	13.0	9.97	13.66	Qtr

Lloyds Bank High Interest Cheque Account
71 Lombard St, London EC3P 3BS 01-407 1000

£1,000+	9.90	7.60	10.50	Mth
£5,000+	10.40	8.0	11.10	Mth
£10,000+	10.90	8.40	11.60	Mth
£50,000+	11.40	8.80	12.20	Mth

M & G/Kleinwort Benson
M & G Hse, Victoria Rd, Chelmsford 0245 266266

H.I.C.A. (£2,500+)	11.25	8.63	11.99	Daily

Midland Bank plc
PO Box 2, Sheffield. 0742 528655

High Int Chq Acct	11.07	8.50	11.70	Qtr
£10,000+	11.40	8.75	12.06	Qtr
£50,000+	11.73	9.00	12.41	Qtr
Premier Savings £5,000+	12.38	9.50	12.97	6-mth

M.I.M. Britannia Ltd
11 Devonshire Square EC2M 4YR 01-626 3434

Cater Allen	11.625	8.9222	12.2950	Mth

NatWest Special Reserve Account
41 Lothbury, London, EC2P 2BP 01-726 1000

£10,000 and above	11.75	9.00	12.41	Qtr
£2,000 to £9,999	11.25	8.50	11.69	Qtr
£1,000-£1,999	9.50	7.00	9.39	Qtr
£500-£999	7.50	5.50	7.48	Qtr

Provincial Bank PLC
30 Ashley Rd, Altrincham, Cheshire 061-928 9011

H.I.C.A. (£1,000+)	12.50	9.60	13.34	Mth

Royal Bank of Scotland plc Premium Acc
42 St Andrew Sq, Edinburgh EH2 2YE 031-557 0201

£50,000+	12.00	9.21	12.71	Qtr
£25,000-£49,999	11.80	9.05	12.49	Qtr
£10,000-£24,999	11.60	8.90	12.27	Qtr
£2,500-£9,999	11.25	8.63	11.89	Qtr

Save & Prosper/Robert Fleming
28 Western Rd, Romford RM1 3LB. 0708 766966

H.I.B.A.	11.40	8.75	12.19	Daily

Tyndall & Co Ltd
29-33 Princess Victoria St, Bristol 0272 732241

Demand Acc	12.00	9.21	12.71	Qtr
Money Acc	11.72	9.00	12.41	Qtr
Client Plus Acc	11.50	8.82	12.16	Qtr

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth 0705 827733

Special Acc	12.25	9.40	13.07	Mthly
£10,000 and above	12.5	9.59	13.36	Mthly

Western Trust High Interest Cheque Acc
The Moneycentre, Plymouth PL1 1SE 0752 224141

£1,000-£4,999	12.00	9.21	12.70	Qtr
£5,000-£9,999	12.25	9.40	12.97	Qtr
£10,000-£49,999	12.50	9.59	13.25	Qtr
£50,000+	12.75	9.78	13.53	Qtr

Wimbledon & South West Finance Co Ltd
114 Newgate St, London EC1 7AE 01-606 9485

High Int Cheque Acc	12.50	9.59	13.25	Qtr

NOTES—Gross rate to show interest from composite rate of tax Net actual rate after deduction of CRT Gr Equiv CAR: Gross equivalent to basic rate taxpayers-compounded annual rate Int Cr frequency interest credited

UNIT TRUST NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Previous day's price. ¶ Guernsey gross. ø Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase. xd ex dividend.

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AMERICANS – Contd

1988/89 High	Low	Stock	Price £	+ or –	Div Gross	C'w	Y'ld Gr's
154p	44p	♥Unilab	147p	-7		—	—
24	17⅝	Utd Technologies	23½	+⅛	$1.60	—	3.8
163p	27p	♥Utilitech Inc	158p	+22		—	—
34⅝	26¼	US West‡	32⅝	+⅜	$3.52	—	6.0
24⅞	16⅞	Waste Management $1	23⅞	-⅛	48c	—	1.1
16⅝	12⅝	Whirlpool $1	14¼	+⅛	$1.10	—	4.3
20⅝	15	Whitman Corp	19	....	96c	—	2.8
33	18¼	♥Woolworth $3½	29¾	+⅛	$1.64	—	3.0

CANADIANS

1988/89 High	Low	Stock	Price £	+ or –	Div Gross	C'w	Y'ld Gr's
309p	138p	♥ABM Gold Corp‡	152p	....			
32p	7p	♥Abbot Energy Corp	7p	....			
14¼	882p	♥Amer. Barrick Res	925p	....			
10p	2½p	♥Amer. Lightwave‡	3p	....			
47p	7½p	♥Armeno	12½p	1½			
76p	24p	♥Augmitto Expln	32½p	½			
14⅝	10⅝	Bk Montreal‡	13¼	+¼	$2.00	—	6.9
769p	514p	Bk Nova Scot.‡	661p	+6	76c	—	5.2
18¼	15¼	BCE‡	17½	....	$2.44	—	6.3
716p	527p	♥Bow Valley‡	655p	+59	40c	—	2.8
13⅛	10½	♥Brascan‡	13	+⅛	88c	—	3.1
328p	177p	♥Breakwater Res.	185p	-2	10c	—	2.5
12⅝	801p	Can Imp Bank‡	11⅛	+¼	$1.16	—	4.6
11½	841p	Can. Pacific‡	10⅝	+⅛	76c	—	3.3
41½	38½	Do 4pc Deb £100	38½	....	4%	—	10.4
515p	357p	Central Capital "A"‡	386p	....		—	—
485p	313p	♥Corona Corp.	368p	+11		—	—
886p	228p	♥Cons TVX Min.	240p	....		—	—
371p	35p	♥Daibus Mem. Syst.‡	48p	....		—	—
686p	430p	♥Derlan Inds.‡	569p	+13	11.75c	—	1.0
14⅛	746p	♥Echo Bay Mines	796p	....	$0.07	—	0.4
839p	249p	♥ECD Corp‡	554p	-8		—	—
40p	11½p	♥Energex Minerals‡	14p	....		—	—
125p	83p	♥Euro-Asia Capital‡	104p	+6		—	—
386p	196p	♥Galactic Resources	213p	-5		—	—
423p	267p	Gandalf Techs. Inc.	330p	+10		—	—
125p	41p	♥Geodome Res.	47p	....		—	—
394p	141p	Granges Expln‡	157p	....		—	—
19p	4½p	♥Gt Pacific Res.	19p	....		—	—
903p	576p	♥Gulf Canada‡	720p	+24	52c	—	3.3
12⅞	816p	♥Hawker Sid Can‡	10⅝	+⅛	$1.08	—	4.9
590p	344p	♥Henlys Group	480p	....		—	—
11¼	785p	♥Hudson's Bay‡	11⅝	+⅛	60c	—	2.3
28	20¼	♥Imperial Oil‡	25¼	+1	$1.80	—	3.2
20⅞	10⅛	Inco‡	15¼	....	US$0.80	—	2.9
718p	462p	♥Inland Nat. Gas $1	609p	....	60c	—	4.5

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS – Contd

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ENGINEERING

ENGINEERING – Contd

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) – Contd

INDUSTRIALS (Miscel.) – Contd.

INSURANCES

LEISURE

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LEISURE—Contd

1988/89 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
32	14	Int'l Media Cons. 5p	14	−1	†2.85	1.4	5.4	15.6
79	49	Juliana's Hldgs 2p	71	−2	†1.0	2.4	3.0	17.5
46½	32	Kunick 10p	44	.....	5.7	2.6	4.8	10.2
193	122	LWT 5p	198	.....				
445	183	Land Leisure 10p	374	+4	†6.0	4.6	2.9	9.9
*218	68	Leisure Inv 10p	98xd	+1	1.75	1.4	2.6	27.4
*112	64	Leisuretime Int 10p	82	−3	—	—	—	—
440	235	Marina Dev. 50p	259	−5	u2.0	3.5	0.8	68.7
218	156	Mecca Leisure 10p	169	+7	4.5	♦	3.6	♦
127	79	Meminster 10p	110	+1	3.67	2.6	4.4	11.6
182	126	Midsummer Leis 10p	172xd	.....	2.8	♦	2.2	♦
460	208	Miss World 10p	443	−2	8.0	2.6	2.4	21.6
62	32	Multiplex Vision 50p	34	.....	—	—	—	19.6
155	120	Noble Raredon 5p	145	.....	h1.55	1.5	1.2	71.7
169	87	Orient Ex Hls $0.125	128	+4	—	—	—	—
*89	61	Owners Abroad 3p	84	.....	†2.1	1.9	3.4	25.2
180	108	Pavilion Leisure 10p	112xd	.....	—	—	—	—
211	55	P'dilly Radio NV 5p	202	−4	3.25	♦	2.2	♦
264	175	Pickwick	220	.....	†2.6	2.9	1.5	29.8
*262	147	Pleasurama 5p	238	+1	†16.0	2.4	3.4	13.9
*233	135	Do. 7pcCnCmRedPf	213	.....	7%	—	4.4	—
150	113	Prestwich	113	−1	1.25	7.5	1.5	12.1
142	78	Prism Leisure 10p	141	.....	4.46	2.5	4.2	11.9
*254	122	Quadrant Group 10p	214	.....	F3.6	3.4	2.2	18.3
367	97	Radio City 'A' NV	349	−18	6.0	♦	—	♦
276	89	Radio Clyde	250	−1	5.75	2.9	3.1	15.2
610	494½	Really Useful Grp 5p	525	.....	15.0	2.3	3.8	15.4
297	169	Saga Group 20p	250	.....	†4.6	1.2	2.7	39.5
110	78	Scott. Inn Risk 2½p	84	.....	—	—	—	—
434	343	Scott. TV 10p	369	−1	†17.0	3.0	—	7.3
15	10	SelecTV 10p	14½	.....	—	—	—	—
63	26	Spectrum 5p	31	−1	—	—	—	24.1
292	197	Stanley Leisure	278	+10	3.6	3.8	1.8	19.6
134	85	Sunset & Vine 5p	133	.....	L2.4	2.9	2.4	16.6
74	62	TSW 5p	66	+1	3.15	2.6	6.4	8.1
179	129	TV-am 5p	138	.....	†4.5	3.6	4.3	8.5
362	286	TVS Entertain 10p	293	.....	†12.5	2.9	5.8	7.9
109	97	Do. 7.4pc Prf.	99	.....	7.4%	—	10.0	—
416	302	Thames TV	366	.....	†13.2	3.0	4.8	9.2
133	95	Tottenham Hotspur	128	−1	3.0	1.4	5.6	16.2
*87	58	Trillion 10p	59xd	+1	g1.1	3.5	2.6	12.4
372	254	Tyne Tees 50p	349	−2	†13.75	2.8	5.3	8.9
95	64	Ulster TV	93	+2	4.75	2.8	6.8	7.0
		For Video Tape Record. see Paper, Print.						
155	77	Wembley 5p	119	.....	1.1	0.1	1.3	—
88	36	Williams (Rex) 5p	36	.....	†0.62	1.6	‡	36.0
52	43	Woodlington	49	.....	—	—	—	—
246	160	Yorkshire TV	224	.....	9.6	♦	5.8	♦
153	90	Zetters Grp 5p	141	.....	6.0	1.8	5.7	12.8

MOTORS, AIRCRAFT TRADES

1988/89 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
242	164	General Motors	241	+7	Q25c	—	5.7	—
350	237	Jaguar	275	+8	10.5	2.1	5.1	11.1
127	52	March Group 5p	52	.....	†4.2	2.1	♦	5.6
*47	28	Reliant Motor 10p	40	.....	0.5	3.9	1.7	15.2
£35⅝	£25¼	Volvo Kr25	£35¼	+⅜	Q42%	2.8	2.7	13.5

Commercial Vehicles

1988/89 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
496	195	ERF (Hldgs)	415xd	−1	†9.0	5.8	2.9	6.3
220	138	Plaxton	228	.....	†4.5	1.5	2.7	30.2

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

1988/89 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
137	89	Allied London 10p	129	.....	2.75	3.2	2.8	14.6
122	93	Do. 5¼pc Cnv Red Pref	114	+1	5¼%	—	6.7	—
209	133	Arlington Sec 10p	153	−1	†4.0	3.0	3.5	11.1
195	108	Asda Property 20p	156	+1	†1.0	5.8	0.9	26.7
143	91	Do 5¼pc Cm.Rd.Pf.	122	−1	5¼%	—	5.6	—
115	60	BDA Hldgs. 10p	68	.....	†2.5	3.8	5.6	4.7
137½	89	BHH Group 50p	90	.....	1.25	4.0	1.9	22.9
280	185	Baker Harris Saunders 10p	190	.....	†6.25	3.1	4.4	9.4
93	76	Bartons 10p	81	.....	0.75	0.3	1.2	—
137	107	Billingsgate City	130	.....	—	—	6.1	—
506	333	Bilton (Percy)	456	+2	†13.98	1.3	4.1	25.2
720	585	Bradford Prop	615	−5	†12.5	4.4	2.7	—
226	168	Bredero Props	224	.....	†9.0	3.1	3.0	12.5
133	88	Britannia Grp. 5p	112	+2	L3.85	2.9	4.6	8.7
390	247	British Land	338	+4	†4.0	4.8	1.6	17.5
369	218	Brixton Estate	338	+3	†7.8	1.5	3.1	25.6
199	154	Broadwell Ld 50p	155xd	.....	L4.3	2.6	3.5	10.6
550	335	Brookmount	480xd	.....	†5.25	4.7	1.5	15.6
398	152	Burford Group	350	.....	♦†1.2	4.4	0.4	67.9
50	50	Caledonian Tst 20p	50	.....	♦	—	—	—
423	318	Capital & Counties	350	+2	†8.5	2.2	3.2	18.5
106	86	Do 5¾pc Pref.	86	.....	5.75%	—	8.9	—
131	60	Cap. & Reg. Prop.	123	+2	†0.3	7.1	0.3	44.9
425	325	Cardiff Prop 20p	425	.....	†1.9	0.5	0.6	—
849	563	Chesterfield	795	.....	†14.5	2.0	2.4	23.3
117	87	Do. 5.25% Cv. Cm. Pf.	110	.....	5.25	—	6.4	—
186	145	Christie Grp 2p	171	.....	13.5	3.1	2.7	15.7
323	275	City Gate Ests.	281	.....	L8.25	0.9	4.0	38.8
321	278	Do. 5¼pc Cv Rd Pf.	278	.....	3.75	—	1.8	—
270	170	Citygrove 10p	197	.....	†4.0	4.8	2.7	10.2
133	106	Do. 7¼pc Cm Cv Rd Pf.	111	.....	7¼%	—	9.3	—
212	145	City Site Estates	210xd	.....	1.36	♦	0.9	♦
183	85	Clarke Nickolls	168	.....	†3.5	6.1	2.8	7.7
295	203	Clayform Props 5p	237	.....	†8.5	3.2	4.8	8.7
70	42	Do. Warrants	50	.....	—	—	—	—
850	700	Compco Hldgs 20p	850	.....	9.0	2.5	1.4	37.5
390	193	Conolls Est Agts 5p	216	.....	†8.0	2.9	4.9	8.6
63	29	Cons Tyne Inns 20p	29	.....	—	—	—	—
60	43	Control Secs. 10p	47½	.....	m0.75	4.5	2.1	9.9
79	48	Corp. Ests. Props.	68	.....	M3.0	2.3	6.7	10.4
360	280	Cussins Prop. Grp.	280	−10	†7.2	2.5	3.4	15.3
1200	725	Daejan (Hldgs)	1065	.....	19.0	4.7	2.4	12.0
37½	24½	Dares Estates 5p	28½	.....	s10.5	5.8	2.3	9.5
131	72	de Morgan Group 5p	98	+3	†2.5	2.5	3.5	15.4
188	118	Debenham Tewson 5p	148	+4	3.0	2.3	4.8	11.1
222	133	Dencora	183	.....	3.0	8.4	2.2	6.8
640	518	Derwent Valley 5p	635	.....	5.07	2.9	1.1	31.8
83	67	Dukeminster 10p	67	.....	N1.13	2.0	2.2	29.3
46	33	Dunloe House Ir 25p	41½	−1	—	—	—	46.0
202	135	Dwyer	183	+2	3.0	3.8	2.2	14.0
241	145	Egerton Trust	191	+1	†4.75	2.7	3.3	13.5
230	127	Do. 7pcPf £1	180	−10	7%	22.4	5.2	—
163	113	Eng & O'seas Prps 10p	114	.....	g2.6	4.9	3.0	7.0
198	163	Erostin Group	191	.....	b5.5	3.3	3.8	10.0
300	160	Ests. & Agency	300	.....	†3.0	2.4	1.3	42.0
208	128	Ests. & Gen. 20p	177	.....	m3.0	2.2	2.3	25.4
205	100	Do. 6pc Cv. Pf.	100	.....	6.0	—	8.0	—
195	126	Evans of Leeds	170	.....	†5.5	2.3	4.3	13.7
*260	80	Ewart	95	.....	2.7	1.6	2.4	26.5
45	36	First Intl Prp Tst	42	.....	—	—	—	—
5	3	Do. Options	4	.....	—	—	—	—
*73	52	Five Oaks Inns 5p	54	.....	1.25	7.3	3.2	5.8
225	155	Fletcher King 10p	180	.....	7.25	2.3	5.4	10.9
132	94	F.S.M. Props. 10p	100	−1	†a2.5	2.1	3.4	15.4
444	275	Frogmore Est. 50p	427	+1	10.0	4.3	3.1	10.0
525	325	Grainger Trust	420	.....	4.2	♦	1.3	♦
402	265	Gt. Portland 50p	357	+2	†8.1	1.3	3.0	33.9
£139	£107	Do 9½pc Cv Ln 2002	£128	.....	Q9½%	—	8.0	—
153	90	Green Property Ir25p	128	+5	Q18.6%	2.3	3.0	20.1
448	298	Greycoat 10p	407	+1	†3.6	5.0	1.2	18.4
116	52	Hamlco Countryside 5p	58	.....	†2.6	3.0	6.0	7.5
929	494	Hammerson "A"	921	−5	♦11.5	1.6	1.7	43.7
235	133	Hanover Druce 10p	168	+5	†4.35	3.2	3.5	11.5

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Contd

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS, FINANCE, LAND—Contd

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Contd

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES—Contd

1988/89 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
7	1½	♥Swan Res 20c	2	−1	—	—	—
12	3	♥West Coast 25c	4½	.....	—	—	—
315	160	Westn. Mining 50c	238	+1	Q20c	♦	4.1
145	65	♥Whim Creek 10c	92	.....	Q11c	16.4	6.9

Tins

1988/89 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
55	25	♥Ayer Hitam SM1	35	.....	‡Q53.3c	0.7	‡
*130	67	Geevor	75	.....	—	—	—
60	33	Gopeng Berhad M$0.50	38	.....	‡Q10c	1.4	‡
111	36	Jantar 12½p	88	.....	♦	—	—
58	27	Malaysia Mng. 10c	47	.....	†Q3.5c	4.2	1.5
130	110	Petaling SM1	120	.....	Q87c	1.2	14.5
100	65	Sungei Besi SM1	90	.....	Q70c	1.4	15.6
150	90	Tanjong 15p	90	.....	—	—	—
130	95	Tronoh SM1	128	.....	♦‡Q25c	1.0	4.2

Miscellaneous

1988/89 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
73	60	Anglesey Mining 9p	78	.....	—	—	—
20	11	Do. Warrants	18	.....	—	—	—
43	24	Anglo-Dominion	28	.....	—	—	—
412	380	Bond Intl. Gold	388	.....	—	—	—
145	40	Butte Mining 10p	48	.....	—	—	—
57	33½	♥Colby Res Corp	40¼	.....	—	—	—
206	87	Cons. Murch. 10c	87	−3	Q30c	2.1	8.8
100	57	♥DRX Inc	78	.....	—	—	—
*39	15½	♥Ennex. Int. Ir10p	25	−1	—	—	—
50	19	♥Explaura L/V 5p	48	−½	—	—	—
75	34	‡‡Glencar Explo	37	.....	—	—	—
253	83	Greenwich Res.	93	+1	—	—	—
£8½	£4¼	♥Hemlo Gold Mines	£5	−⅛	SQ20c	—	1.8
170	97	♥Highwood Res.	114	+11	—	—	—
£10	£6⅞	Homestake Mining $1	£7⅛	+⅛	Q20c	—	1.5
34	13	‡‡Kenmare Resources	15½	.....	—	—	—
188	41	♥McFinley Red Lake	43	−3	—	—	—
46	21½	♥New Sabina Res C$1	22	.....	—	—	—
398	256	Northgate C$1	382	−2	♦	—	—
66	9	♥Nor-Quest Res.	17½	.....	—	—	—
464	315	RTZ 10p	449	+12	†11.5	3.4	3.4
£232½	£162½	Do. 9½pc '95-00	£239½	+2	Q9½%	37.7	4.3
24¼	8¼	♥Thorco Res. Inc.	10¾	.....	—	—	—
198	156	♥Young Group 10p	198	.....	L6.5	2.8	4.3

THIRD MARKET

1988/89 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
114	63	ASB Barnett 2p	79	.....	—	—	—	—
*43½	11½	Amercoer Energy 10p	12	.....	—	—	—	—
85	56	Andaman Res. 10p	65	−1	—	—	—	—
2½	0¾	Barbican Hldgs. 1p	1	.....	—	—	—	—
105	57	Beckenham Grp. 5p	98	.....	†1.25	4.2	1.7	18.6
230	152	Broadcast Comms	182	.....	—	—	—	23.7
53	23	Caldwell Invs. 10p	26	.....	—	—	—	11.3
81	14	Caspen Oil 10p	22	.....	—	—	—	♦
145	80	Chelsea Artisans 5p	80	.....	1.0	7.1	1.7	10.1
*65	24	ChemEx Intl	48	.....	—	—	—	—
105	60	Comac Group 5p	60	.....	1.25	6.2	2.8	6.8
160	120	Crown Eyeglass 5p	140	.....	—	—	—	15.5
113	100	Cupid 10p	101	.....	b2.0	6.4	2.6	7.9
38	28	Dana Expl.	28	.....	—	—	—	—
16	5	Eglinton Expln. 5p	9	+½	—	—	—	—
8	2	Do. Warrants	3	.....	—	—	—	—
143	37	Far East Res. 10p	38	.....	—	—	—	—
70	23	Feltrim Min.Ir0.20	35	.....	—	—	—	—
90	60	Hiclare 5p	78	.....	—	—	—	12.8
*45	21	Honorbilt Group 5p	22	.....	—	—	—	♦
31	13	Intl. Comm & Data 5p	16	.....	—	—	—	9.6
56	30	Kemp (P.E.) 5p	31	.....	‡1.5	2.8	6.5	7.5
18½	10	Kromagraphic 1p	17½	.....	—	—	—	—
99	58	LGW 5p	93	.....	u2.0	2.1	2.9	22.2
104	60	Leading Leisure 5p	80	.....	†1.2	3.3	2.0	18.8
*37	12	Lynx Group 5p	21	+1	—	—	—	3.3
433	106	M.L. Labs. 1p	378	+2	—	—	—	—
146	89	Medirace 10p	102	+1	—	—	—	—
12½	5½	Moray Firth 1p	6¼	.....	—	—	—	—
38	8½	Norton Group 5p	9½	.....	—	—	—	—
59	24	Ovoca Gold IR 2p	29	+1	—	—	—	—
38	16	Pennant Grp. 2p	18	+1	d0.2	—	1.5	—
51	38	Pennine Optical 2½p	38	.....	—	—	—	10.2
60	33	Propeller 1p	41	.....	—	—	—	19.8
63	57	Remaminster 5p	57	.....	u1.0	4.3	2.3	13.3
237	150	Royal Sovereign 10p	185	.....	†4.6	1.9	3.3	17.3
26	20	Scott Pickford 10p	21	+½	3.1	0.7	19.7	10.9
116	68	Seacon Hldgs	96	+1	Z1.0	—	1.4	—
15½	7	Sonic Tape 2½p	8	.....	n	—	—	10.5
27	17	Stats Hldgs. 5p	17	.....	—	—	—	20.1
*4½	2¼	Swanyard Studios 1p	2½	.....	—	—	—	♦
313	200	Takare	288	+2	b1.0	8.1	0.5	29.6
36	26	Tomorrows Leisure 20p	28	.....	—	—	—	13.9
25	13½	Tullow Oil 10p	19	.....	—	—	—	—
135	105	UPL Group 10p	110	.....	L2.41	4.3	2.9	15.0
182	120	Unit Group	147	.....	F7.5	2.9	6.8	8.4
15	12½	Wikgate Leisure 20p	14	+½	—	—	—	—
12	6	Do. Wrrnts.	10½	.....	—	—	—	—
6½	2	Wilton Group 1p	5	.....	—	—	—	—

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta, γ Gamma.

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially listed.
- # Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- ♦ Not comparable
- ♠ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for *dividends or ranking only for restricted dividend.*
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h *Assumed dividend and yield after scrip issue.* j *Payment from* capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1988-89. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv 20p	67	.....
Craig & Rose £1	710	.....
Finlay Pkg. 5p	86	+1
Holt (Jos) 25p	1218	−2½

IRISH

Stock	Price	+ or −
Cap. 8½% Ln. 1991	£99¾	.....
9pc Cap Ln. 1996	£100¾	.....
Fin. 13% 97/02	£124¼	.....
Arnotts	385	.....
Carrol (P.J.)	144	.....
Grafton Grp	145	+2
Hall (R. & H.)	152	.....
Heiton Hldgs.	61	.....
Irish Ropes	270	−5

TRADITIONAL OPTIONS

3-month call rates

Industrials	p
Allied-Lyons	40
Amstrad	18
BAT	40
BOC Grp.	36
BSR	7½
BTR	26
Barclays	34
Beecham	40
Blue Circle	39
Boots	20
Bowaters	38
Brit. Aerospace	42
Brit. Telecom	21
Burton Ord	18
Cadburys	31
Charter Cons.	45
Comm Union	28
Courtaulds	26
FKI Babcock	13
FNFC	21
Gen Accident	71
GEC	15
Glaxo	90
Grand Met	38
GUS 'A'	90
Guardian	16
GKN	28
Hanson	12
Hawker Sidd	48
ICI	85
Jaguar	22
Ladbroke	38
Legal & Gen	26
Lex Service	34
Lloyds Bank	29
Lucas Inds	48
Marks & Spencer	15
Midland Bk	35
Morgan Grenfell	23
NEI	12
Nat West Bk	45
P & O Dfd	48
Plessey	15
Polly Peck	28
Racal Elect	25
RHM	32
Rank Org Ord	63
Reed Intnl	38
STC	24
Sears	13
TI	32
TSB	9
Tesco	12
Thorn EMI	55
Trust Houses	24
T&N	16
Unilever	42
Vickers	15
Wellcome	42
Property	
Brit Land	30
Land Securities	52
MEPC	50
Peachey	54
Oils	
Brit Petroleum	21
Do. (P.Paid)	12
Burmah Oil	48
Calor	35
Charterhall	2½
Premier	5½
Shell	85
Ultramar	21
Mines	
Cons Gold	100
Lonrho	38
RTZ	48

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £940 per annum for each security.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up as D-Mark falls

CO-ORDINATED INTERVENTION by central banks in North America and Europe took some of the steam out of the dollar's rise on the foreign exchange yesterday, but the US currency remained very firm against the D-Mark.

European central banks took advantage to build up their stocks of D-Marks, at a time when the weakness of the West German unit against the dollar was taking downward pressure off other currencies. This action was taken by the Bank of Italy and Bank of Spain at the daily fixings, and may have included the Bank of France.

The D-Mark is the strongest currency in the European Monetary System, while the Italian lira and the French franc are the two weakest members.

At the time of the London close the US Federal Reserve had sold dollars for D-Marks three times, the West German Bundesbank had intervened twice on the open market, and dollar sales had also been seen from central banks in Switzerland, Austria and Canada.

The main action by the Fed and the Bundesbank appeared *to be concentrated around the* levels of DM1.8285 and DM1.8255, and happened after the dollar had already retreated from the day's peak of DM1.8330.

The Bundesbank also sold $49.2m in Frankfurt when the dollar was fixed at DM1.8308, the highest fixing level since October 13.

Dealers said the central banks gave extra weight to their intervention by making it clear the action was co-ordinated and by hitting the dollar when it was already sliding down from its peak.

There was no sign that the Bank of England or the Bank of France joined in the operation to sell dollars, but the French central bank may have taken the opportunity to buy D-Marks to restock its currency reserves, at a time when there was no downward pressure on the franc.

In Milan the Bank of Italy bought around DM80m when the D-Mark was fixed at L734.00, its lowest level since January 19 last year.

The Bank of Spain was also reported to be a buyer of D-Marks. At the Madrid fixing the Bank of Spain intervened for the third time in the the last 10 days, buying DM181.4m, in an attempt to stem the rise of the peseta on the foreign exchanges.

In Frankfurt the yen was fixed at a record high of DM1.4460 per 100 yen, the highest level since last November.

At the London close the dollar had climbed to DM1.8280 from DM1.8140; to SFr1.5570 from SFr1.5475; and to *FFr6.2300 from FFr6.1875, but* had eased to Y126.45 from Y126.65.

On Bank of England figures the dollar's exchange rate index rose to 66.5 from 66.3.

Sterling was depressed by the strength of the dollar, but showed little reaction to UK economic news, including December producer prices.

The pound fell $1.65 to $1.7635. It also declined to DM3.2225 from DM3.2300; to FFr10.9875 from FFr11.0150; to SFr2.7450 from SFr2.7550; and to Y223.00 from Y225.00. Sterling's exchange rate index fell 0.2 to 97.2.

£ IN NEW YORK

Jan.9	Latest	Previous Close
£ Spot	1.7660-1.7670	1.7780-1.7790
1 month	0.60-0.58pm	0.58-0.56pm
3 months	1.68-1.64pm	1.63-1.61pm
12 months	5.25-5.15pm	4.98-4.91pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Jan.9	Previous
8.30 am	97.3	97.6
9.00 am	97.3	97.6
10.00 am	97.3	97.6
11.00 am	97.1	97.6
Noon	97.1	97.5
1.00 pm	97.0	97.5
2.00 pm	97.0	97.5
3.00 pm	97.2	97.4
4.00 pm	97.2	97.4

CURRENCY RATES

Jan.9	Bank rate %	Special* Drawing Rights	European Currency Unit
Sterling	-	0.745857	0.645471
U.S Dollar	6.50	1.33583	1.13796
Canadian $	11.20	1.59592	1.36214
Austrian Sch.	4	N/A	14.6570
Belgian Franc	7.75	50.4576	43.6153
Danish Krone	7½	9.28068	8.03517
Deutsche Mark	3½	2.40743	2.08111
Neth. Guilder	4.5	2.71708	2.34933
French Franc	9½	8.21803	7.09976
Italian Lira	12½	N/A	1528.00
Japanese Yen	2½	168.315	144.123
Norway Krone	8	8.82316	7.60217
Spanish Peseta	-	N/A	130.638
Swedish Krona	8½	N/A	7.12195
Swiss Franc	3.5	2.05250	1.77807
Greek Drach.	20½	9.28068	172.936
Irish Punt	-	0.903626	0.777245

*All SDR rates are for Jan.6

CURRENCY MOVEMENTS

Jan.9	Bank of England Index	Morgan** Guaranty Changes %
Sterling	97.2	-14.1
U.S Dollar	66.5	-12.3
Canadian Dollar	101.4	-1.4
Austrian Schilling	106.6	+9.8
Belgian Franc	106.0	-6.2
Danish Krone	104.1	-0.8
Deutsche Mark	112.8	+20.7
Swiss Franc	108.4	+17.8
Guilder	110.2	+13.1
French Franc	98.7	-15.8
Lira	97.7	-19.9
Yen	151.7	+84.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100)**Rates are for Jan.6.

OTHER CURRENCIES

Jan.9	£	$
Argentina	29.3675-29.5255	16.6200-16.7000
Australia	2.0475-2.0500	1.1585-1.1595
Brazil	1425.75-1433.70	806.90-810.90
Finland	7.4815-7.5035	4.2360-4.2380
Greece	266.30-270.80	150.00-152.70
Hong Kong	13.8015-13.8145	7.8075-7.8095
Iran	124.20*	67.90*
Korea(Sth)	1214.50-1224.30	681.10-686.70
Kuwait	0.50070-0.50120	0.28330-0.28340
Luxembourg	67.50-67.60	38.25-38.35
Malaysia	4.8250-4.8455	2.7300-2.7330
Mexico	4039.35-4052.25	2286.00-2292.00
N. Zealand	2.7815-2.7890	1.5735-1.5775
Saudi Ar.	6.6270-6.6330	3.7495-3.7505
Singapore	3.4310-3.4370	1.9415-1.9435
S. Af (Cm)	4.2205-4.2320	2.3900-2.3930
S. Af (Fn)	7.0050-7.1465	3.9605-4.0405
Taiwan	49.85-50.10	28.00-28.10
U.A.E.	6.4910-6.4970	3.6725-3.6735

*Selling rate

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Jan.9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.6153	+2.73	+0.88	±1.5344
Danish Krone	7.85212	8.03517	+2.33	+0.48	±1.5404
German D-Mark	2.05853	2.08111	+1.10	-0.75	±1.0981
French Franc	6.90403	7.09976	+2.84	+0.99	±1.3674
Dutch Guilder	2.31943	2.34933	+1.29	-0.56	±1.5012
Irish Punt	0.768411	0.777245	+1.15	-0.70	±1.6684
Italian Lira	1483.58	1528.00	+2.99	+1.87	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT- FORWARD AGAINST THE POUND

Jan.9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7580-1.7835	1.7630-1.7640	0.60-0.57cpm	3.98	1.59-1.54pm	3.55
Canada	2.1065-2.1215	2.1120-2.1130	0.49-0.39cpm	2.50	1.07-0.93pm	1.89
Netherlands	3.63-3.65	3.63½-3.64½	2⅜-2¼cpm	7.62	6⅜-6¼pm	6.87
Belgium	67.30-67.75	67.50-67.60	35-33cpm	6.04	93-89pm	5.39
Denmark	12.42¾-12.46	12.44-12.45	5⅞-5½orepm	5.48	16⅛-15⅜pm	5.06
Ireland	1.2030-1.2060	1.2045-1.2055	0.55-0.50ppm	5.23	1.46-1.36pm	4.80
W. Germany	3.21½-3.23¼	3.22-3.22½	2¼-2⅛pfpm	8.15	5⅞-5⅝pm	7.14
Portugal	262.30-264.05	262.80-263.80	72-34cpm	2.42	131-40pm	1.30
Spain	201.70-203.90	201.80-202.10	38-27cpm	1.93	53-35pm	0.87
Italy	2360½-2370	2363-2364	5-3lirepm	2.03	8-6pm	1.18
Norway	11.76¾-11.80¾	11.76½-11.77½	1⅝-1¼orepm	1.47	4⅝-4pm	1.47
France	10.97¾-11.02¼	10.98¼-10.99¼	4⅜-4⅛cpm	4.78	12¼-11¾pm	4.35
Sweden	11.02½-11.08¼	11.02½-11.03½	3¼-2¾orepm	3.26	8-7½pm	2.81
Japan	222½-224½	222½-223½	1⅞-1⅝ypm	9.75	5⅛-4⅞pm	8.97
Austria	22.64-22.74	22.64-22.67	14½-13grpm	7.28	40¾-37¾pm	6.93
Switzerland	2.74-2.75½	2.74-2.75	1⅞-1⅝cpm	7.93	5⅛-4⅞pm	7.29

Belgian rate is convertible francs. Financial franc 67.85-67.95. Six-month forward dollar 2.87-2.82cpm 12 months 4.69-4.59cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

Jan.9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7580-1.7835	1.7630-1.7640	0.60-0.57cpm	3.98	1.59-1.54pm	3.55
Ireland†	1.4600-1.4735	1.4640-1.4650	0.25-0.30cdis	2.26	0.65-0.75dis	1.91
Canada	1.1940-1.1975	1.1965-1.1975	0.14-0.17cdis	-1.20	0.48-0.52dis	-1.67
Netherlands	2.0455-2.0695	2.0630-2.0640	0.64-0.61cpm	3.62	1.73-1.69pm	3.30
Belgium	38.00-38.40	38.25-38.35	7.50-5.50cpm	2.03	19.50-14.50pm	1.77
Denmark	6.98¼-7.07½	7.05¼-7.06	1.10-0.70oredis	1.53	3.00-2.50pm	1.56
W. Germany	1.8095-1.8330	1.8275-1.8285	0.62-0.59pfpm	3.96	1.65-1.61pm	3.56
Portugal	149½-150	149½-149¾	10-20cdis	-1.30	75-125dis	-2.67
Spain	114.20-115.15	114.40-114.50	15-25cdis	-2.09	75-85dis	-2.79
Italy	1330½-1346	1340-1340½	2.00-2.50liredis	-2.01	7.70-8.20dis	-2.37
Norway	6.63¼-6.70	6.67¼-6.67¾	1.25-1.50oredis	-1.57	3.30-3.80dis	-2.12
France	6.19-6.25¼	6.22¾-6.23¼	0.42-0.35cpm	0.74	1.30-1.15pm	0.78
Sweden	6.22-6.27	6.25¼-6.25¾	0.35-0.55oredis	-0.86	1.10-1.50dis	-0.83
Japan	126.05-126.75	126.40-126.50	0.60-0.58ypm	5.59	1.55-1.52pm	4.85
Austria	12.76-12.89¼	12.82½-12.83	3.75-3.15gropm	3.22	11.50-9.90pm	3.33
Switzerland	1.5415-1.5635	1.5565-1.5575	0.54-0.51cpm	4.03	1.47-1.42pm	3.70

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 38.45-38.55.

EURO-CURRENCY INTEREST RATES

Jan.9	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	13¼-13	13¼-12⅞	13¼-13	13¼-13⅛	13 3/16-13 1/16	12 13/16-12 11/16
US Dollar	9¼-9⅛	9⅜-9¼	9¼-9⅛	9⅝-9½	9⅞-9¾	9 15/16-9 13/16
Can. Dollar	10¼-9¾	10¼-10	10½-10¼	11-10¾	11⅛-11	11½-11¼
D. Guilder	5¾-5½	5¾-5½	5 13/16-5 11/16	5 15/16-5 13/16	6-5⅞	6⅛-6
Sw. Franc	5½-5¼	5½-5¼	5½-5⅜	5⅝-5½	5¾-5½	5¾-5½
Deutschemark	5⅜-5¼	5⅝-5½	5½-5⅜	5⅝-5½	5¾-5½	5¾-5½
Fr. Franc	8⅜-8¼	8⅝-8½	8½-8⅜	8¾-8½	8 13/16-8⅝	8 15/16-8 11/16
Italian Lire	11-9	11-10	11¼-10¾	12-11½	12¼-11¾	12½-12
B. Fr. (Fin)	7¼-7⅛	7⅜-7¼	7½-7⅜	7⅝-7½	7 11/16-7⅝	7⅞-7⅝
B. Fr. (Con.)	7½-7¼	7½-7¼	7⅝-7⅜	7¾-7⅝	7⅞-7¾	8-7¾
Yen	3¾-3⅝	4-3⅞	4⅛-4	4¼-4⅛	4⅜-4¼	4 11/16-4⅜
D. Krone	7⅞-7⅝	7⅞-7⅝	8-7¾	8-7¾	8¼-7⅞	8½-8
Asian $Sing	9 3/16-9 1/16	9¼-9⅛	9 5/16-9 3/16	9 7/16-9 5/16	9⅝-9½	9 13/16-9 11/16

Long term Eurodollars: two years 10 1/16-9 15/16 per cent; three years 10⅛-10 per cent; four years 10¼-10 per cent; five years 10¼-10 per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Jan.9	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.764	3.223	223.0	10.99	2.745	3.640	2364	2.113	67.55
$	0.567	1	1.827	126.4	6.230	1.556	2.063	1340	1.198	38.29
DM	0.310	0.547	1	69.19	3.410	0.852	1.129	733.5	0.656	20.96
YEN	4.484	7.910	14.45	1000.	49.28	12.31	16.32	10601	9.475	302.9
F Fr.	0.910	1.605	2.933	202.9	10.	2.498	3.312	2151	1.923	61.46
S Fr.	0.364	0.643	1.174	81.24	4.004	1	1.326	861.2	0.770	24.61
H Fl.	0.275	0.485	0.885	61.26	3.019	0.754	1	649.5	0.580	18.56
Lira	0.423	0.746	1.363	94.33	4.649	1.161	1.540	1000.	0.894	28.57
C $	0.473	0.835	1.525	105.5	5.201	1.299	1.723	1119	1	31.97
B Fr.	1.480	2.611	4.771	330.1	16.27	4.064	5.389	3500	3.128	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES

Sterling prices firmer

STERLING DENOMINATED futures adopted a slightly more bullish feel in Liffe trading yesterday, although UK economic data released yesterday, presented a fairly neutral picture, and failed to provide any real clues on the path that the economy may be taking. Producer prices for November were much in line with expectations, while a revision in *November retail sales was little* changed from provisional estimates.

So while the longer term outlook may remain a little clouded, investors are content to stay at the short end of the market. The short sterling contract for March delivery opened at 86.99, up from 86.96 on Friday, and touched a high of 87-10, before finishing at 87-09.

The long gilt price was quoted at 95-09 at the close, up from an opening level of 95-02.

US Treasury bond futures moved up in line with a stronger dollar to finish at 88-29 for March delivery, up from 88-27 at the start, and 88-15 on Friday. However, values were marked down from the day's highs as central banks intervened to sell dollars. Earlier strength was also sapped by a *higher Federal funds rate.*

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
90	520	630	2	8
92	324	439	6	17
94	139	261	21	39
96	33	143	115	121
98	8	51	254	229
100	2	27	448	405
102	1	11	647	553

Estimated volume total, Calls 685 Puts 170
Previous day's open int. Calls 19042 Puts 14695

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
82	663	705	5	27
84	503	529	9	51
86	317	361	23	119
88	147	244	53	202
90	47	147	153	305
92	16	104	322	436
94	6	40	512	562

Estimated volume total, Calls 248 Puts 145
Previous day's open int. Calls 2503 Puts 2997

LIFFE FT-SE INDEX FUTURES OPTIONS

Strike Price	Calls-settlements Mar	Puts-settlements Mar
17000	1595	60
17500	1174	139
18000	813	278
18500	525	490
19000	315	780
19500	174	1139
20000	89	1554

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 0 Puts 0

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls-settlements Jan	Calls-settlements Feb	Puts-settlements Jan	Puts-settlements Feb
160	—	—	—	—
165	1160	1160	0	9
170	660	660	0	57
175	187	308	34	208
180	7	106	354	506
185	0	26	847	926
190	0	4	1347	1404

Estimated volume total, Calls 0 Puts 4
Previous day's open int. Calls 42 Puts 3744

LIFFE EURODOLLAR OPTIONS
£1m points of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
8975	76	84	6	22
9000	55	66	10	29
9025	37	50	17	38
9050	23	37	28	50
9075	13	27	43	65
9100	7	19	62	82
9125	4	13	84	101

Estimated volume total, Calls 245 Puts 100
Previous day's open int. Calls 4841 Puts 6311

LIFFE SHORT STERLING

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
8675	56	116	22	23
8700	40	98	31	30
8725	28	81	44	38
8750	18	66	59	48
8775	12	52	78	59
8800	7	41	98	73
8825	4	31	120	88

Estimated volume total, Calls 1031 Puts 2571
Previous day's open int. Calls 16091 Puts 1650*

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Jan	Calls Feb	Calls Mar	Calls Jun	Puts Jan	Puts Feb	Puts Mar	Puts Jun
1.750	2.05	3.09	13.81	5.17	0.46	1.94	2.97	5.40
1.775	0.74	1.94	2.62	4.05	1.55	3.11	4.31	7.05
1.800	0.16	1.11	1.74	3.11	3.38	4.77	5.92	8.49
1.825	0.04	0.56	1.10	2.37	5.58	6.72	7.75	10.18
1.850	0.01	0.24	0.65	1.80	8.13	8.88	9.77	12.01
1.875	-	0.09	0.35	1.32	10.61	11.19	11.95	13.95
1.900	-	0.04	0.16	0.94	13.10	13.58	14.23	15.99

Previous day's open int: Calls 351,354 Puts 320,280
Previous day's volume: Calls 35,347 Puts 31,857

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls-settlements Jan	Calls-settlements Feb	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Jan	Puts-settlements Feb	Puts-settlements Mar	Puts-settlements Jun
1.650	16.15	-	16.20	17.45	0.45	-	0.35	2.00
1.700	11.15	11.30	13.25	12.00	0.55	1.30	0.95	2.50
1.750	6.25	7.20	7.55	8.80	1.50	1.30	2.00	6.00
1.800	2.90	3.15	2.35	3.15	3.60	3.40	4.70	6.70
1.850	0.90	1.25	2.00	2.00	5.85	3.25	10.40	9.15
1.900	1.05	1.55	1.30	2.20	6.00	11.35	13.50	14.30
1.950	-	-	1.40	0.60	-	-	20.40	20.40

Estimated volume total, Calls N/A Puts N/A
Previous day's open int: Calls 222 Puts 157

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Mar	95-09	95-10	95-01	94-25
Jun	96-11	96-08	96-08	96-03

Estimated Volume 8364 (10249)
Previous day's open int. 26248 (26354)

7-10 YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Mar	92-17			92-14
Jun				

Estimated Volume 0 (0)
Previous day's open int. 18 (18)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low	Prev.
Mar	106.45	106.55	106.36	105.66
Jun	105.74	105.55	105.31	104.95

Estimated Volume 432 (445)
Previous day's open int. 447 (432)

THREE MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
Mar	87.09	87.10	86.99	86.96
Jun	87.68	87.69	87.62	87.59
Sep	88.25	88.28	88.20	88.19
Dec	88.60	88.61	88.57	88.54

Est. Vol. (inc. figs. not shown) 14381 (10475)
Previous day's open int. 48152 (47548)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Mar	185.35	186.00	185.00	183.60
Jun	187.60			185.85
Sep				

Estimated Volume 1633 (1529)
Previous day's open int. 13380 (13360)

THREE MONTH EURODOLLAR
£1m points of 100%

	Close	High	Low	Prev.
Mar	90.45	90.49	90.43	90.40
Jun	90.37	90.40	90.36	90.33
Sep	90.36	90.39	90.35	90.32
Dec	90.22	90.25	90.23	90.17

Est. Vol. (inc. figs. not shown) 5819 (8704)
Previous day's open int. 37990 (37354)

US TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Mar	88-29	89-01	88-25	88-15
Jun	88-21			88-06
Sep				

Estimated Volume 5682 (4421)
Previous day's open int. 8430 (8534)

6% NOTIONAL GERMAN GOVT. BOND
DM 250,000 100ths of 100%

	Close	High	Low	Prev.
Mar	94.81	95.06	94.72	94.88
Jun	94.14			94.24
Sep				

Estimated Volume 6926 (9965)
Previous day's open int. 11001 (9975)

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7635	1.7577	1.7479	1.7351	1.7171

IMM-STERLING $s per £

	Latest	High	Low	Prev.
Mar	1.7576	1.7576	1.7480	1.7652
Jun	1.7400	1.7400	1.7330	1.7500
Sep	1.7280	-	1.7200	1.7386

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Mar	88-27	88-31	88-23	88-22
Jun	88-18	88-23	88-15	88-14
Sep	88-15	88-17	88-14	88-09
Dec	88-11	88-13	88-11	88-05
Mar	-	-	-	88-02
Jun	88-06	88-06	88-06	87-31
Sep	-	-	-	87-28
Dec	-	-	-	-
Mar	-	-	-	87-24
Jun	-	-	-	87-22
Sep	-	-	-	87-20

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Mar	91.74	91.77	91.74	91.72
Jun	91.68	91.70	91.68	91.66
Sep	91.65	91.66	-	91.62
Dec	91.52	91.52	91.52	91.50
Mar	91.61	91.61	91.60	91-59
Jun	91.58	91.58	-	91-56

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Mar	0.6477	0.6480	0.6448	0.6507
Jun	0.6548	0.6550	0.6515	0.6579
Sep	0.6620	0.6620	0.6590	0.6656

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Mar	0.7972	0.7977	0.7961	0.7967
Jun	0.8073	0.8073	0.8064	0.8070
Sep	0.8162	0.8165	0.8162	0.8163
Dec	0.8260	0.8260	0.8255	0.8256

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Mar	0.5516	0.5519	0.5493	0.5539
Jun	0.5573	0.5573	0.5547	0.5595
Sep	-	-	-	0.5650
Dec	0.5668	0.5668	0.5668	0.5705

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

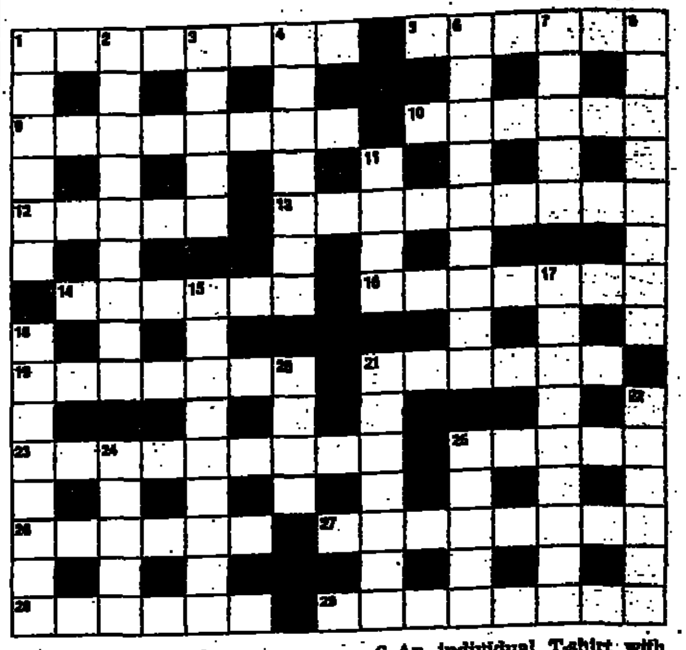
	Latest	High	Low	Prev.
Mar	90.45	90.48	90.44	90.41
Jun	90.36	90.40	90.36	90.33
Sep	90.35	90.38	90.35	90.31
Dec	90.21	90.24	90.21	90.17
Mar	90.29	90.31	90.29	90.25
Jun	90.24	90.27	90.24	90.20
Sep	90.21	90.24	90.21	90.17
Dec	90.15	90.17	90.15	90.11

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Mar	283.85	284.05	283.60	283.50
Jun	287.10	287.20	286.95	286.75
Sep	290.00	290.00	-	289.90

CROSSWORD

No.6,830 Set by VIXEN



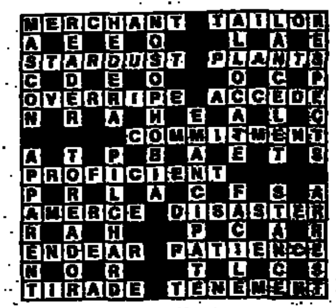
ACROSS

1 Ships' sick-quarters? (8)
5 Say firmly a lock should be turned (6)
9 Minor no longer (8)
10 Occasion when possibly ten feel awful (6)
12 In this vehicle a regular traveller goes free (5)
13 Bald heavyweight, no great thinker (9)
14 Distant – restraining anger, as being less ugly (6)
16 Desert tribe's fight for ascendancy (3,4)
19 A quarter got together and came out (7)
21 All endeavour to provide a store-room (6)
23 A game swimmer encompasses it with some strain (9)
25 Attend to roasting meat for buffet (5)
26 Exercise can be a tonic (6)
27 A girl's name of Stuart times (8)
28 For example, is cutting back to appear a selfish guy (6)
29 Figure on moving to Penang (8)

DOWN

1 Notice outside quiet little church causing talk (6)
2 All note great change in time (9)
3 Moving article on porridge (5)
4 A person working behind the scenes making furniture (7)
6 An individual T-shirt with no back (9)
7 Middle-men can't amend order (5)
8 Part-time soldiers Leonard and Edward are smart (8)
11 An Arab ruler some deem irascible (4)
15 This rogue might appear honest (9)
17 Out-of-the-ordinary police action (9)
18 Counsel a rep used for negotiation (8)
20 The underworld boss without a platform (4)
21 Man of the cloth making small change to report (7)
22 Number about right for the river (6)
24 All there is to bingo (5)
25 Swell trainee in some craft (5)

Solution to Puzzle No.6,829



JOTTER PAD

EUROPEAN OPTIONS EXCHANGE

Series		Feb. 89 Vol	Feb. 89 Last	May 89 Vol	May 89 Last	Aug. 89 Vol	Aug. 89 Last	Stock
GOLD C	$400	16	11	84	21.50	-	-	$402.90
GOLD C	$420	36	3	94	12 B	20	21	$402.90
GOLD C	$440	23	1	148	6	20	12	$402.90
GOLD P	$400	350	4.30	83	8.90	-	-	$402.90
GOLD P	$420	61	17	15	19.90	10	19.50	$402.90
		Jan. 89		Feb. 89		Mch. 89		
EOE Index C	Fl. 255	73	8	3	10.80	-	-	Fl. 262.10
EOE Index C	Fl. 260	296	4	36	7.60	10	10.50	Fl. 262.10
EOE Index C	Fl. 265	193	1.40	47	5	45	8	Fl. 262.10
EOE Index C	Fl. 270	228	0.80	322	3.50	-	-	Fl. 262.10
EOE Index P	Fl. 240	90	0.10	10	0.80	-	-	Fl. 262.10
EOE Index P	Fl. 255	30	0.50 B	39	3.20	2	4.50	Fl. 262.10
EOE Index P	Fl. 260	220	2	595	4.80 B	152	7	Fl. 262.10
EOE Index P	Fl. 265	135	4 B	100	7.30	-	-	Fl. 262.10
EOE Index P	Fl. 270	55	8	-	-	-	-	Fl. 262.10
		Feb. 89		May 89		Aug. 89		
OBL Index C	Fl. 100	370	0.20	-	-	-	-	Fl. 99.04
OBL Index P	Fl. 100	410	1.20	10	1.70	503	1.70	Fl. 99.04
		Jan. 89		Feb. 89		Mch. 89		
$/Fl C	Fl. 195	54	10.60	-	-	35	11	Fl. 205.87
$/Fl C	Fl. 200	122	6.20	47	6.70	216	7	Fl. 205.87
$/Fl C	Fl. 205	127	2.10	294	3.20	159	3.60	Fl. 205.87
$/Fl C	Fl. 210	5	0.80	70	1.50	623	1.90	Fl. 205.87
$/Fl C	Fl. 215	-	-	-	-	65	1	Fl. 205.87
$/Fl P	Fl. 200	-	-	59	1.40	87	2.20	Fl. 205.87
$/Fl P	Fl. 205	49	1.60	6	3.30 B	5	4.20	Fl. 205.87
		Jan. 89		Apr. 89		Jul. 89		
ABN C	Fl. 45	190	0.50	314	2.10	184	2.60	Fl. 44.50
ABN P	Fl. 45	87	1	107	2	56	2.80	Fl. 44.50
AEGON C	Fl. 90	100	1.50	71	6.20	-	-	Fl. 93
AHOLD C	Fl. 90	100	1.50	117	4.40	13	6	Fl. 90.20
AKZO C	Fl. 150	526	3.80	112	10	71	11	Fl. 152.60
AKZO P	Fl. 150	114	1.40	143	4.60	14	8.60	Fl. 152.60
AMEV C	Fl. 60	42	0.20	228	2.30	51	3.40	Fl. 57.80
AMEV P	Fl. 55	5	0.30	186	1.70	2	2.50	Fl. 57.80
AMRO C	Fl. 80	153	2.10	99	4.60	7	5.30	Fl. 82.20
AMRO P	Fl. 85	-	-	69	5.50	-	-	Fl. 82.20
BUHRMANN-T C	Fl. 60	126	0.90	115	2.70	21	3.50	Fl. 59
ELSEVIER C	Fl. 60	304	4.40	63	6.10	2	7	Fl. 64.60
GIST-BROC. C	Fl. 40	198	0.50	278	2.70	11	3.80	Fl. 39.10
GIST-BROC. P	Fl. 40	28	1.30	81	2.70	119	4	Fl. 39.10
HEINEKEN C	Fl. 140	228	6.50	8	11.50	-	-	Fl. 146.50
HOOGOVENS C	Fl. 75	1405	1.50	352	5.40	53	7	Fl. 74.60
HOOGOVENS P	Fl. 75	873	1.70	168	4.40	49	7	Fl. 74.60
KLM C	Fl. 40	1127	3.30	223	4.70	43	5.90	Fl. 43.20
KLM P	Fl. 45	-	-	83	3	16	3.70	Fl. 43.20
KNP C	Fl. 50	-	-	144	1.60	144	2.30	Fl. 46.70
KNP P	Fl. 47.50	-	-	59	3.20 B	-	-	Fl. 46.70
NEDLLOYD C	Fl. 300	-	-	150	9.40	1	14	Fl. 267.50
NEDLLOYD P	Fl. 260	204	4	45	13.70	3	21	Fl. 267.50
NAT.NED. C	Fl. 70	632	0.80	160	3 A	35	3.60	Fl. 69.60
NAT.NED. P	Fl. 70	45	1	285	2.50	7	3.50	Fl. 69.60
PHILIPS C	Fl. 35	2093	1.40	958	2.80	316	3.30	Fl. 36.30
PHILIPS P	Fl. 40	-	-	767	5.10	47	5.20	Fl. 36.30
ROYAL DUTCH C	Fl. 230	1821	6.70	607	13	44	14.50	Fl. 235.70
ROYAL DUTCH P	Fl. 240	46	5 B	260	8	587	13.50	Fl. 235.70
ROBECO C	Fl. 100	28	0.80	89	2.50	3	4	Fl. 99.80
UNILEVER C	Fl. 120	1717	2.60	444	7.20	104	8.30	Fl. 121.40
UNILEVER P	Fl. 120	156	1	437	4	46	6.50	Fl. 121.40
VAN OMMEREN C	Fl. 40	-	-	170	1.30	221	1.60	Fl. 36.50
VAN OMMEREN P	Fl. 35	21	0.50	55	1.40	-	-	Fl. 36.50
WESSANEN C	Fl. 85	5	0.80 A	88	3	3	4	Fl. 82.80

TOTAL VOLUME IN CONTRACTS : 57,090
A=Ask B=Bid C=Call P=Put

MONEY MARKETS

Optimism shows in softer tone

UK INTEREST rates were slightly lower in London yesterday. Some traders are now more convinced that the authorities may not have to increase interest rates any further from the current 13 p.c. base rate level.

A revision to November retail sales, showing a fall of 0.6 p.c. against 0.5 p.c. previously, was mildly encouraging, although an increase in new credit advanced in November could suggest a deterioration in the savings ratio.

UK clearing bank base lending rate
13 per cent
from November 25

The key three-month interbank rate was unchanged at 13¼-13⅛ p.c., but the one-year rate slipped to 12 13/16-12 11/16 p.c. from 13 1/16-12 15/16 p.c.

The Bank of England forecast a shortage of around £350m, with factors affecting the market including repayment of late *assistance and a* take up of Treasury bills, together will bills maturing in official hands draining £821m, and the unwinding of previous sale and repurchase agreements a further £133m. These were partly offset by a fall in the note circulation of £560m and Exchequer transactions which added £20m.

The forecast was revised to a shortage of around £450m, and the Bank gave assistance in the morning of £64m, through outright purchases of £15m of local authority bills and £13m of eligible bank bills in band 1 at 12⅞ p.c., and in band 3, £5m of eligible bank bills at 12 13/16 p.c. In band 4, it bought £31m of bills at 12¾ p.c.

A further revision took the forecast to a shortage of around £550m, before taking into account the earlier help, and the Bank gave additional *assistance of £148m through* outright purchases of £16m of Treasury bills and £39m of eligible bank bills in band 1, and in band 2, £48m of eligible bank bills. In band 4 it bought £5m of Treasury bills and £40m of eligible bank bills, all at unchanged rates. The Bank gave late assistance of £135m, making a total of £347m.

In Frankfurt, interest rates traded within a narrow range as traders remain uncertain about the attitude of the Bundesbank towards the dollar. Yesterday's strong performance by the US unit has led some analysts to suggest that a corresponding weakness in the D-Mark may provide the West German authorities with an opportunity to push up interest rates, so adding strength to their anti-inflationary stance.

FT LONDON INTERBANK FIXING

(11.00 a.m. Jan.9) 3 months US dollars		6 months US Dollars	
bid 9 5/16	offer 9 7/16	bid 9 9/16	offer 9 11/16

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	10¼
Fed. funds	9 3/16
Fed. funds at intervention	-

Treasury Bills and Bonds

One month	7.57	Three year	9.33
Two month	7.94	Four year	9.32
Three month	8.57	Five year	9.29
Six month	8.98	Seven year	9.31
One year	9.17	10-year	9.22
Two year	9.30	30-year	9.04

Jan.9	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	5.25-5.35	5.35-5.50	5.35-5.50	5.45-5.60	5.55-5.75	5.50
Paris	8¼-8⅜	8⅜-8½	8⅜-8⅝	8⅜-8⅝	8½-8¾	7.25
Zurich	4½-4¾	5¼-5⅝	-	5⅝-5⅞	-	-
Amsterdam	5.68-5.81	5.77-5.87	-	5.90-6.00	-	-
Tokyo	3.71875	4.28125	-	4.46875	-	-
Milan	11¼-11¾	11½-12	-	11¾-12¼	-	-
Brussels	7.45	7⅜-7⅝	-	7½-7⅝	-	-
Dublin	7¼-7½	7⅝-7⅞	7⅞-8⅛	8-8¼	8¼-8½	-

LONDON MONEY RATES

Jan.9	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	14	13¼	13⅛	13¼	13⅛	12 15/16
Interbank Bid	12¾	12¾	12 15/16	13⅛	13 1/16	12 13/16
Sterling CDs	-	-	13	13 1/16	13⅛	12 13/16
Local Authority Deps.	12¾	12¾	13	13 1/16	13⅛	12¾
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	13½	12 15/16	12¾	12⅞	-	-
Company Deposits	-	-	13	13¼	13 3/16	12 15/16
Finance House Deposits	-	-	13	13⅛	13⅛	12⅞
Treasury Bills (Buy)	-	-	12 13/16	12⅝	-	-
Bank Bills (Buy)	-	-	12 15/16	12 13/16	12⅝	-
Fine Trade Bills (Buy)	-	-	13 5/16	13⅛	13	-
Dollar CDs	-	-	9.20-9.15	9.35-9.30	9.50-9.45	9.75-9.70
SDR Linked Dep Offer	-	-	7 13/16	8	8	8⅛
SDR Linked Dep Bid	-	-	7⅝	7¾	7¾	7 15/16
ECU Linked Dep Offer	-	-	8⅛	8⅜	8⅜	8 9/16
ECU Linked Dep Bid	-	-	7 15/16	8⅛	8¼	8⅜

Treasury Bills (sell); one-month 12⅝ per cent; three months 12⅜ per cent; Bank Bills (sell); one-month 12 11/16 per cent; three months 12⅝ per cent; Treasury Bills; Average tender rate of discount 12.5512 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day December 30, 1988. Agreed rates for period January 25, 1989 to February 25, 1989, Scheme I: 13.97 p.c., Schemes II & III: 14.37 p.c. Reference rate for period December 1 to December 30, 1988, Scheme IV&V: 13.173 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 13 from January 1, 1989: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held *under one month 7½ per cent; one-three months 9 per cent; three-six months 9 per cent; six-nine* months 9½ per cent; nine-twelve months 9½ per cent; Under £100,000 7 per cent from July.5,1988, Deposits withdrawn for cash 5 per cent.

BASE LENDING RATES

	%
ABN Bank	13
Adam & Company	13
AAB - Allied Arab Bk	13
Allied Irish Bank	13
● Henry Ansbacher	13
ANZ Banking Group	13
Associates Cap Corp	12
Authority Bank	13
● B & C Merchant Bank	13
Bank of Baroda	13
Banco Bilbao Vizcaya	13
Bank Hapoalim	13
Bank Credit & Comm	13
Bank of Cyprus	13
Bank of Ireland	13
Bank of India	13
Bank of Scotland	13
Banque Belge Ltd	13
Barclays Bank	13
Benchmark Bank PLC	13
Berliner Bank AG	13
Brit Bk of Mid East	13
● Brown Shipley	13
Business Mtge Tst	13½
CL Bank Nederland	13
Central Capital	13
● Charterhouse Bank	13
Citibank NA	13
City Merchants Bank	13
Clydesdale Bank	13
Comm.Bk.N.East	13
Co-operative Bank	*13
Coutts & Co	13
Cyprus Popular Bk	13
Dunbar Bank PLC	13
Duncan Lawrie	13
Equatorial Bank plc	13
Exeter Trust Ltd	13½
Financial & Gen. Bank	13
First National Bank Plc	14
● Robert Fleming & Co.	13
Robert Fraser & Ptnrs.	13½
Girobank	13
● Guinness Mahon	13
HFC Bank plc	13
● Hambros Bank	13
Heritable & Gen Inv Bnk	13
● Hill Samuel	§13
C. Hoare & Co.	13
Hongkong & Shangh	13
● Leopold Joseph & Sons	13
Lloyds Bank	13
Meghraj Bank Ltd	13
McDonnell Douglas Bnk	13
Midland Bank	13
Mortgage Express Ltd.	‡13.95
Mount Bnkg Corp.	13
Nat Bk. of Kuwait	13
NatWestminster	13
Northern Bank Ltd	13
Norwich Gen. Trust	13
PRIVATbanken Limited	13
Provincial Bank PLC	14
R. Raphael & Sons	13
Roxburghe G'rantee	13½
Royal Bk of Scotland	13
Royal Trust Bank	13
● Smith & Williamson Secs.	13
Standard Chartered	13
TSB	13
United Bk of Kuwait	13
United Mizrahi Bank	13
Unity Trust Bank Plc	13
Western Trust	13
Westpac Bank Corp.	13
Whiteaway Laidlaw	13½
Yorkshire Bank	13

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London
13 & 14 December, 1988

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Tlx: 27347 FTCONF G

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WORLD STOCK MARKETS

AUSTRIA

January 9	Sch	+ or −
Creditanstalt	2,040	—
Goesser	13,100	+30
Interunfall	14,250	+50
Jungbunzlauer	9,170	−110
Laenderbank	370	−5
Perlmooser	680	—
Reininghaus	900	—
Semperit	185	−1
Steyr-Daimler	80	—
Veitscher Mag	650	+9

BELGIUM/LUXEMBOURG

January 9	Frs.	+ or −
B.B.L.	3,080	—
Bank Intl. a Lux	13,500	—
Banque Gen. Du. Lux	14,000	—
Banque Nat. Belg	37,450	+375
Bekaert B	23,950	—
Ciment CBR	6,440	+50
Cobepa	5,410	−30
Do. AFV 1	5,560	+20
Do. AFV 2	5,590	+60
Cockerill	304	+4
Colruyt	11,650	+1,050
Delhaize	4,805	+20
EBES	4,620	+80
Do. AFV 1	4,600	+80
Do. AFV 2	4,570	+65
Fabrique Nat	660	−2
GB Inno BM	1,384	−2
Do. AFV	1,350	+2
GBL (BruxL)	4,030	+80
Do. AFV 1	3,985	+125
Do. AFV 2	3,985	+125
Do. AFV 3	3,985	+125
Gechem	700	+2
Do. AFV	680	—
Generale Bank	6,210	—
Do. AFV 1	6,440	+40
Do. AFV 2	6,830	+220
Gevaert	8,000	—
Hoboken	12,300	+100
Do. AFV	12,200	+200
Intercom	3,725	+25
Do. AFV 1	3,690	+30
Do. AFV 2	3,690	+40
Kredietbank	4,520	+25
Do. AFV	4,585	+70
Pan Holdings	12,725	+100
Petrofina	13,600	+175
Raffinerie Tirle	1,665	−30
Royale Belge	5,070	—
Do. AFV 1	5,090	+90
Do. AFV 2	5,100	+40
Soc Gen Belge	4,745	−45
Do. AFV	4,895	−25
Sofina	11,850	+50
Solvay	13,175	+75
Stanwick Intl	150	—
Tessenderlo	6,250	+50
Do. AFV	6,050	+140
Tractebel	8,700	−10
Do. AFV 1	8,460	+10
Do. AFV 2	8,690	−30
Do. AFV 3	8,430	+50
Do. AFV 4	8,810	+90
UCB	9,050	+50
Do. AFV	9,150	+100
Unerg	2,805	+10
Do. AFV 1	2,765	+40
Do. AFV 2	2,770	+20
Wagons Lits	7,800	—
Do. AFV	7,800	—

DENMARK

January 9	Kr	+ or −
Baltica Hldgs	527	−3
Carlsberg	1,200	+20
Cop Handelsbank	349.7	−0.3
D. Sukkerfab	652.8	+5.1
Den Danske Bank	432.1	−0.2
East Asiatic	302.2	−0.6
GNT Holding	247.3	—
I.S.S. B'System	736.6	−3.6
Jyske Bank	480	—
Nordisk Kabel	600	+5
Novo Inds	282.9	—
Privatbanken	325.3	−1.3
Royal C'hagen A	585	—
Smidth (FI) B	2618.7	+0.7
Sophus Berendsen	949.4	+2.6
Superfos	4577.4	—

FINLAND

January 9	Mks	+ or −
Amer	159	+1.5
Finnish Sugar	67	−2.5
Huhtamaki I Free	75	—
Huhtamaki K Free	167.5	+2.5
KOP	63	—
Kone	265	−5
Kymmene	122	+0.5
Nokia	130.5	+0.5
Pohjola 'B'	89.25	+0.05
Rauma-Repola	99.6	—
Stockmann 'B'	154.5	—
UBF'C'	29.6	−0.15
Utd. Paper Prf.	114.5	−1
Wartsila (x11)	212.5	−1.5

FRANCE

January 9	Frs.	+ or −
Accor	689	+2
Afrique Occiden	1,950	−25
Air Liquide	602	−7
Alcatel	2,715	−35
Alsthom	471	−4

FRANCE (continued)

January 9	Frs.	+ or −
Arjomari-Prioux	2,424	−1
AuxEntd'Ent	1,101	−26
BIC	835	+7
BSN	660	+1
Bancaire Cie	560	−40
BNP (Cert. Inv.)	315	+4
Beghin-Say	598	+6
Do. Certs	405	—
Bongrain	3,185	−10
Bouygues	674	+29
Carnaud	645	−15
Carrefour	3,280	−95
Casino	199	+2
Cetelem	650	+25
Chargeurs	1,264	−4
Ciments Fr.	1,234	−6
Club Mediterranee	555	−14
Coflexip	549	+6
Cogifi	351	+1
CGE	418	+3
Copartor	353	+1
Cred Foncier Fr	890	+1
Credit National	1,078	+3
Damart	3,320	−31
Docks de France	2,799	−39
Dollfus-Mieg	927	+23
Dumez S.A.	840	+10
Eaux (Cie Gen)	1,660	−10
Ecco	1,716	−23
Electrofin'ce	901	+3
Elf-Aquitaine	391	+1
Do. Certs	535	−6
Epeda-Bertrand	1,127	−33
Essilor	3,645	−54
Eurafr (Fin.)	2,795	+15
Eurafrance	1,814	+69
Eurocom	1,435	+9
Euromarche	2,700	+5
Exor	1,455	+5
Finextel	198	−6
Fonciere Lyonn	455	−2
Fromageries	1,782	+53
GTM-Entrepose	871	−18
Gaumont (Soc 10)	670	−20
Gen Geophysique	549	+15
Gen. Occidentale	848	−4
Hachette	306	+10
Havas	734	−14
Do. Certs	666	+34
Imetal	318	−1.9
Immeubles de Fr	1,049	+29
Immobilie Pl Mon	329	+3
Immobanque	746	−9
Industrielle	3,050	+20
Interbail	533	−10
Intertechnique	1,525	−20
LVMH	3,706	−394
Lafarge Coppee	1,548	+50
La Henin	590	—
L'Oreal	4,428	+38
Legrand	3,670	+15
Locafrance	451	+6
Lyonn. des Eaux	1,597	+3
Maisons Phenix	71	−2
Matra S.A.	266	−1
Merlin-Gerin	3,695	−85
Michelin B	197	−2
Midi (Cie)	1,708	−2
Moulinex	111	−3
Navigation Mixt.	1,175	−20
Nord Est	138	−3
Nouvelle Galer.	635	+19
OFP	1,450	—
Orsan	519	+1
Paribas	488	—
Paris Rescompte	440	+3
Pechelbronn	1,165	+15
Pernod Ricard	1,312	+9
Perrier	1,624	+4
Peugeot S.A.	1,441	+3
Poliet	688	+28
Prestabail Sicomi	1,139	−14
Printemps Au	635	+15
Promodes	2,580	—
Radiotech	625	−20
Redoute	3,311	−14
Rhone-Poul (Cts)	519	−1
Roussel-Uclaf	1,431	−13
SILIC	716	+4
Sagem	1,660	+11
St. Gobain	615	−4
Saint Louis	1,236	−34
Sanofi	774	+14
Schneider	639	−8
Seb SA	897	+46
Sefimeg	462	+3
Simco	541	+1
Skis Rossignol	1,125	+5
Soc. Gen. de Fr	532	—
Sommer-Allibert	2,540	+20
Spie-Batignolles	463	−5
Suez (Fin de)	320	−4
Taittinger	3,285	+30
TRT	1,289	−16
Telemech Elect	4,000	+130
Thomson (CSF)	236	−0
Total-Petroles Fr.	360	−2
UFB Locabail	401	+19
Unibail	735	+5
Union Immob Fr	561	−19
Valeo	634	−6
Vallourec	272	+1

GERMANY

January 9	Dm.	+ or −
AEG	199	−2
AG Ind & Verkehr	460	+5
Aachener Munch	829	—
Allianz AG	1,953	−4
Altana	395.5	−1.5
Asko Deutsche K	730.5	+0.5
Do. Prf.	618	+15.5

GERMANY (continued)

January 9	Dm.	+ or −
BASF	290.9	+1.6
Badenwerk	178.5	+2.5
Bayer	310	+1.3
Bayer-Hypo	381	+11
BMW	541	+4
Bayer-Verein	384	+12.5
Beiersdorf	552	+26
Berliner Kraft	110	+1.1
BHF-Bank	424	+7
Bilfinger & Berg	352	−4
Brown Boveri	365	−3
Colonia Versich	590	—
Do. Pref.	580	−5
Commerzbank	246	+4.5
Continental AG	277	−1
DLW	460	+1
Daimler-Benz	757	−4
Deckel (Fr.)	157.9	−0.1
Degussa	400	+1
Deutsche Babcock	156	−4
Deutsche Bank	585	+6
Didier-Werke	209	+3
Dragerwerk	284.5	+1.5
Dresdner Bank	317	+2
Fag Kugelfischer	325	+10
Feldmuehle Nobel	290	+0.5
Gerresheimer	220	+0.5
Goldschmidt (TH)	398	+3
Hamburg Elekt	125	+2
Hapag Lloyd	338	—
Harpener	420	—
Heidelberger Zem	630	−1
Henkel	517	−3
Herlitz	210	+14
Hochtief	689	+23
Hoechst	307.5	+2.3
Hoesch	188	+0.5
Holzmann (P)	585	−2
Horten	214	+2.5
Hussel	472	+17
Industriekredit.	217	+1
Industrie Werke	270	+0.5
Kali & Salz	184	+8
Karstadt	418	+6.5
Kaufhof	409	+16
KHD	133.5	+0.7
Kloeckner Werke	128	−0.5
Kraft. Werke Rh	262	+3
Lahmeyer	655	−5
Leifheit	460	+1.5
Linde	774	+4
Lufthansa	153.5	—
Do. N/V Pref.	123.5	+1.5
MAN	243	−5
Do. Pref.	209	−3
Mannesmann	223	+1
Mannheimer Vers	680	−23
Mercedes Hld	610	−2
Metallgesell	376	−13.8
Muench Rueck	2,400	—
Nixdorf	348.6	+12.4
PWA	254.5	+1.5
Phil'Bg Kommun.	648	+15.5
Porsche	634	+19
Preussag	199	+1.5
Rheinelektra	1,348	+18
Rhein West Elect	230.5	+2
Do. Pref.	215	+1
Rheinmetall Berl	429	−11
Do. Pref.	291	−8.5
Rosenthal	279	+4
Schering	596	+2
Schmalbach-Lub	170.5	+6
Siemens	555.5	+3
Springer Vlg Rg	512.8	+2.3
Sud-Chemie	522	—
Thyssen	190.8	−0.2
Varta	331	+10
Veba	280.4	+2.9
V.E.W.	170	+1
Vereins-West	464	+2
Volkswagen	383	−0.5
Do. Pref.	304.5	+1
Wella Pref.	605.5	+4.5
Zanders Feinp'per	299	+13

ITALY

January 9	Lire	+ or −
Banca Com'le	3,640	+80
Banca Naz Agric	8,901	−99
Banco Lariano	4,099	+49
Bastogi-IRBS	307	+1
Benetton	10,595	+95
Burgo (Cartiere)	14,370	−30
CIR	5,919	−46
Caffaro	1,116	—
Cementir	3,820	+29
Cigahotel	4,525	+40
Cofide	5,840	+40
Credito Italiano	1,809	+12
Danieli	7,840	+5
Eridania	5,905	+4
Fiat	9,910	−40
Do. Priv.	6,200	−2
Fidis	6,920	+35
Fondiaria	74,190	—
Gemina	1,820	+1
Generali Assicur	44,300	−150
Gilardini Inds.	12,375	−15
IFI Priv.	19,850	−150
Italcable	12,200	—
Italcementi	127,400	−300
Italgas	2,170	+11
Lloyd Adriatico	18,900	−250
Magneti Marelli	3,089	+4
Mediobanca	20,330	−10
Mira-Lanza	44,250	+200
Montedison	2,092	−13
Olivetti	9,449	+50
Pirelli Co	7,325	—

ITALY (continued)

January 9	Lire	+ or −
Pirelli Spa	3,030	−37
Rinascente La	4,970	−6
RAS	44,400	−250
SIP	2,940	—
Saffa A	8,850	+5
Saipem	2,580	+17
SASIB	4,610	+20
Siossigeno	32,900	+300
Sirti Spa	10,000	+21
SME	1,140	+22
Snia BPD	2,795	−27
Toro Assicur	22,700	+210
Tosi Franco	19,590	−200
Unicem	24,925	−85

NETHERLANDS

January 9	Fls.	+ or −
ACF Holding	57.60	−0.4
AEGON	93.00	+0.4
Ahold	90.20	+0.2
AKZO	152.60	−1.7
ABN	44.50	−0.1
AMEV	57.80	+0.2
AMRO	82.20	+0.4
Bols Lucas	144.30	—
Borsumij Wehry	117.00	−1
Buhrmann-Tet	59.00	+0.1
Center Parcs	35.70	+0.2
Centrale Suiker	66.80	−0.9
Dordtsche Petroleum	217.80	+2.8
Elsevier Ndu	64.60	+0.4
Fokker	29.50	+0.3
Gamma	65.20	+0.2
Gist Brocades	39.10	−0.6
Heineken	146.30	+1.3
Holl. Beton	169.50	−0.5
Hoogovens	74.60	−3.2
Hunter Douglas	81.90	+0.1
IHC Caland	20.50	+0.3
Int. Mueller	79.00	—
KLM	43.20	−0.1
Kempen	17.20	+1.3
KNP	46.7	−0.6
Nat. Ned Cert.	69.60	+0.2
Ned Mid Bank	194.50	+0.5
Nedlloyd	267.50	−6.5
Nijverdale	82.00	−0.2
Nutricia Ver B.	250.00	+1
Oce Grinten	280.00	—
Ommeren (Van)	36.50	+0.5
Pakhoed	104.50	−0.5
Philips	36.30	+0.5
Robeco	99.80	+1.3
Rodamco	157.30	+0.3
Rolinco	95.80	+1.5
Rorento	61.20	+0.1
Royal Dutch	236.70	+1.7
Unilever	121.40	+0.3
VMF Stork	27.60	+0.1
VNU	93.70	−0.3
Wessanen	82.80	−0.2
Wolters Kluwer	149.20	−0.1

NORWAY

January 9	Kroner	+ or −
Aker	52.00	−2.5
Bergens Bank	139.00	+6
Bergesen B	442.00	+11
Christiania Bk	150.00	—
Den Norske Credit	99.00	+4
Dyno Ind.	94.00	+3
Elkem	180.00	—
Hafslund Nycn.	171.00	+5
Kosmos	139.00	−1
Kvaerner	273.00	+2
Norsk Data A	54.50	+2.5
Norsk Hydro	130.00	+1
Orkla Borregaard	289.0	+4
Storebrand	47.80	+0.5

SPAIN

January 9	Pts.%	+ or −
Banco Bilbao Viz	1,160	—
Banco Central	980	—
Banco Exterior	430	—
Banco Hispano	775	—
Banco Popular	1,760	−3
Banco Santander	925	+1
Banesto	980	—
Citroen Hispania	1,220	−2
Corp. Mapfre	1,320	+11
Dragados	445	+5
Ebro	2,850	—
Electra Viesgo	308	+10
Energia Ind Ara	511	−1
Esp Carburos Mt	720	+10
Esp Acum Tudor	280	−10
Explosivos Rio	325	+11.5
Fasa Renault	465	−2.5
Fecsa	46.6	+0.3
Hidrol Cantab.	178	−3
Iberola	86.1	+0.4
Iberduero	115.2	+2.2
Koipe	380	—
Metal Duro-Felg	422	+4
Petroleos (Cia Esp)	455	+4
Portland Vald.	3,295	−25
SNIACE	206	−2
Sarrio	376	—
Sevia	528	—
Sevillana Elec.	93.5	—
Tabacalera	697	−15.5
Telefonica	184.5	+6.4
Torras Hostench	2,073	−11
Union Elec-Fen.	75	+0.5
Union y el Fenix	2,340	—
Uralita	585	+10
Urbis Ser.2	474	+9

SWEDEN

January 9	Kronor	+ or −
AGA B (Free)	223	+8
Alfa-Laval B (Free)	470	+15
Asea A Free	390	—
Asea B (Free)	400	+10
Astra B (Free)	235	+7
Atlas Copco A (Free)	290	+11
Electrolux B (Free)	304	+5
Ericsson B (Free)	386	+11
Esselte B (Free)	205	—
Gambro B Free	113	—
Mo Och Dom B Free	376	−2
Pharmacia B (Free)	199	+5
Saab-Scania B Free	205	+3
Sandvik B (Free)	295	—
Skandia (Free)	186	+4
Skanska Intl	240	+4
Skan Enskilda	183	+4
SKF B Free	417	+12
St Kopparb'g A Free	335	+4
Svka Cell'sa B (Free)	367	−3
Svka Handelsbn.	160	+5
Trelleborg B Fr	293	+15
Volvo B (Free)	395	+10

SWITZERLAND

January 9	Frs.	+ or −
Adia Intl	8,900	−100
Alusuisse	850	—
Do. Ptg. Certs.	69	−1
Baloise Hld Ptg	2,425	+15
Bank Leu	3,325	+25
Do. Ptg.	409	+9
Brown Boveri	2,850	+5
Do. Ptg.	464	+6
Ciba Geigy	2,820	+80
Do. (PtCts)	2,290	+45
Credit Suisse	2,795	+15
Elektrowatt	2,975	—
Elvia	2,000	+25
Fischer (Geo.)	1,475	+45
Do. Ptg.	228	+10
Forbo	3,030	+5
Hoff-Roche (PtCts)	136,000	−750
Hoff-Roche 1/10	13,500	−50
Holderbank (Br)	5,275	−50
Holzstoff (Br)	5,900	+50
Inspectorate Int.	2,100	—
Do. Ptg.	253	+1
Jacobs Suchard	7,300	+25
Do. Ptg.	632	−6
Jelmoli	2,710	+60
Do. Ptg. Certs	389	+9
Landis and Gyr	1,520	—
Do. Ptg.	195	+2
Mag. Globus Ptg	1,140	—
Mikron (Br)	1,990	—
Motor-Columbus	1,370	+20
Nestle	7,375	+25
Oer-Buhrle	1,225	+55
Pargesa Hldg	1,590	+15
Pirelli	257	−3
Sandoz (Br)	10,000	+175
Do. (PtCts)	1,715	+30
Schindler (Br)	5,040	+50
Do. (PtCts)	810	+20
Sika	795	+5
Survelliance	5,010	+60
Swissair	1,080	+10
Swiss Bank	340	−4
Do. Ptg.	296	−1
Swiss Reinsce	10,425	+125
Do. Ptg.	1,695	+15
Swiss Volksbk	1,800	—
Union Bank	3,310	+25
Do. Ptg.	120	+2
Winterthur	4,450	+100
Do. Ptg.	701	−2
Zurich Ins	4,650	+90
Do. Ptg.	1,835	+5

SOUTH AFRICA

January 9	Rand	+ or −
Abercom	4.3	—
AECI	15	—
Allied Tech	95	+5
Anglo Am Coal	46.5	—
Anglo Am Corp	64	+0.25
Anglo Am Gold	264	—
Barlow Rand	28.75	+0.5
Buffels	43.5	+0.5
CNA Gallo	7.5	—
Currie Finance	4	+0.45
De Beers	42.8	+0.2
Deelkraal Gold	9.5	−0.2
Driefontein	33.25	+0.25
East Rand Gold	12	—
Elandsrand Gold	17.5	−0.5
First Nat. Bank	15.5	—
Free State Cons Gold	29.4	−0.1
Gold Fields SA	57.25	−0.5
Harteebeest	23.75	−0.1
Highveld Steel	9.15	+0.55
Kinross Gold	35	—
Kloof Gold	31.6	+0.1
Libanon Gold	7.1	−0.1
Malbak Hldgs	21.5	+0.5
Nedbank	7.6	−0.1
OK Bazaars	12.2	—
Palabora Mining	51.25	—
Rembrandt	8	+0.25
Rust Plat	46.6	−0.15
Safmarine & Ren.	24.5	+0.5
Sage Holdings	13	—
Smith (CG) Fds	20.5	—
SA Brewers	21	+0.25
SA Mang. Amcor	19	—
Tiger Oats	150	—
Tongaat Hulett	14	+0.5
Vaal Reefs	261.6	−2.4
Western Deep	107	+3

JAPAN

January 9	Yen	+ or −
Ajinomoto	2,980	+70
Akebono Brake	785	+5
All Nippon Air	1,890	+20
Alps Electric	1,570	—
Amada	1,290	—
Amano	1,580	+18
Ando Construct	898	—
Anritsu	2,018	+30
Aoki Corp.	1,110	+10
Arabian Oil	6,500	−70
Asahi Breweries	1,910	−10
Asahi Chemicals	1,108	+38
Asahi Glass	2,030	+10
Asahi Optical	688	+11
Asics Corp.	729	+14
Atsugi Nylon	1,190	+30
Bank Tokyo	1,700	+10
Banyu Pharm	1,470	—
Bridgestone	1,400	+20
Brother Inds	851	−29
CSK Corp.	5,330	+190
Calpis Food	1,290	+10
Calsonic Corp.	800	+31
Canon	1,500	−10
Canon Sales	2,900	−30
Casio Computer	1,950	+10
Central Finance	685	+34
Central Glass	773	—
Chiba Bank	1,480	+40
Chiyoda Chem	1,020	−20
Chiyoda Fire	1,090	−10
Chubu Elect Pwr	5,100	+160
Chugai Pharm	1,500	−20
Chugoku El Power	4,900	+60
Citizen Watch	952	+16
Daicel Chemical	899	+13
Daiichi Seiyaku	3,010	+25
Daido Steel	888	+49
Daiei	2,220	+40
Daifuku	1,060	+30
Dai Ichi Kan Bank	3,380	+60
Daikin Inds	1,890	−10
Daikyo Kanko	2,680	—
Daimaru	1,150	—
Dai Nippon Ink	982	−13
Dai Nippon Phar	2,320	+50
Dai Nippon Ptg	2,690	−30
Dai Nippon Toryo	946	+100
Daishowa Paper	2,370	+70
Dai Tokyo F&M	1,330	+50
Daiwa Bank	1,520	−20
Daiwa House	2,020	+20
Daiwa Sec	2,480	+60
Denny's	3,480	+80
Diesel Kiki	817	+34
Dowa Fire & Mar	1,000	+25
Dowa Mining	795	+20
Ebara	1,220	+30
Eisai	2,150	+20
Ezaki Glico	1,300	+10
Fanuc	5,850	−50
Fudo Construct	830	−10
Fuji Bank	3,670	+40
Fuji Electric	843	+33
Fuji Film	3,720	+50
Fuji Fire & Mar	1,000	+20
Fuji Heavy Ind	874	+10
Fujikura	1,210	+10
Fujisawa	1,880	+20
Fuji Spinning	610	+5
Fujita Tourist	2,150	—
Fujitsu	1,530	+10
Furukawa Elect	911	+30
Gakken	1,900	+10
Gen Sekiyu	1,760	−40
Godo Shusei	1,940	+20
Green Cross	1,800	+100
Gun-Ei Chem	850	+20
Gunze	1,050	—
Hankyu Corp.	940	—
Hanshin El Rail	719	+17
Hasegawa Komu	1,170	+30
Hattori Seiko	1,970	−60
Hazama-Gumi	920	+20
Heiwa Real Est	1,720	+40
Hino Motors	899	+19
Hirose Electric	4,260	+20
Hiroshima (Bank)	1,040	+20
Hitachi	1,630	+50
Hitachi Cable	1,130	+60
Hitachi Credit	1,500	+40
Hitachi Koki	1,300	+30
Hitachi Maxell	2,180	−50
Hitachi Metals	1,150	+50
Hitachi Sales	823	—
Hitachi Zosen	615	+20
Hokkaido Elect.	4,300	+80
Hokkaido Takush	1,030	—
Hokuriku El Pwr	4,350	+40
Honda	2,110	+30
Honshu Paper	1,110	−20
House Food Ind	1,960	+30
Hoya	2,170	—
Ihara Chemical	930	+29
Ikegami Tsush	1,650	+30
Inax	1,480	+20
Indl Bank Japan	4,280	−40
Iseki & Co.	635	+15
Isetan	2,320	+20
Ishihara Sangyo	698	+11
Ishikawajima Ha	1,208	+10
Isuzu Motors	930	+50
Ito(C)	1,060	+40
Itoham Foods	1,340	+10
Itoman & Co.	1,120	—
Ito Yokado	4,470	−20
Iwatsu Electric	1,030	+10
Izumiya	2,290	—
JGC Corp.	1,130	—
JEOL	1,090	+30
Janome Sew Mach	3,780	—
JAL	16,600	+100
Japan Metals	740	+25
Japan Radio	1,720	−40
Japan Steel Wks	713	+4
Jap S Battery	938	+68
Japan Synth Rbr	1,060	+10
Japan Wool	1,880	+10
Jujo Paper	1,230	−30
Jusco	1,800	+20
Kagome	1,590	−30
Kajima	1,860	+20
Kaken Pharm	1,660	+10
Kandenko	4,140	−50
Kaneb	698	+18
Kanegafuchi Chm	912	−6
Kanematsu-Gosho	722	+23
Kansai Elect Power	5,380	+300
Kansai Paint	711	+21
Kao Corp	1,770	+20
Kashiyama	1,790	—
Kawasaki Heavy	926	+28
Kawasaki Kisen	519	+24
Kawasaki Steel	1,000	+51
Keihin Elec Exp	1,840	+20
Keio Teito Elec	1,260	+40
Kikkoman	1,180	+30
Kinki Elec Cons	3,900	+60
Kinki Nippon Rl	1,380	+30
Kirin Brewery	1,950	+10
Kobe Steel	729	+38
Koito Mfg	3,840	−100
Kokusai Electric	2,760	−10
Kokuyo	3,200	+80
Komatsu	966	+15
Konica	963	+19
Koraiken	4,030	−120
Koyo Seiko	1,160	+20
Kubota	900	+16
Kumagai-Gumi	1,210	+20
Kumiai Chemical	881	+41
Kurabo Inds.	703	+18
Kuraray	1,300	+30
Kureha Chemical	1,030	—
Kurita Water	1,060	+60
Kurosaki Refrac	1,020	+25
Kyodo Shiryo	715	—
Kyotaru	1,860	−40
Kyoto Ceramic	5,130	—
Kyowa Bank	1,330	—
Kyowa Hakko	1,540	+20
Kyushu Electric	4,300	+80
Lion	1,000	+5
Long Term Cred.	20,700	+200
Maeda Construct	1,420	—
Makino Millng	973	+24
Makita Elect Wk	1,550	+20
Marubeni	859	+16
Marudai Food	1,160	−10
Marui	3,130	—
Maruichi Steel	1,600	—
MEI	2,550	+20
Matsu Elect. Wks.	1,790	—
Matsushita Koto	1,900	+50
Matsushita Refrig	1,500	—
Mazda Motors	780	+44
Meiji Milk	950	−15
Meiji Seika	977	+12
Mikuni Coca Cola	1,770	−30
Minebea	1,120	−10
Minolta Camera	741	+6
Misawa Homes	1,830	+80
M'bishi Bank	3,440	+10
M'bishi Belting	1,340	+60
M'bishi Chem	1,020	—
M'bishi Corp	1,420	+50
M'bishi Elec	1,080	+60
M'bishi Estate	2,690	+10
M'bishi Gas Chem	738	+10
MHI	1,120	+50
M'bishi Metal	903	+8
M'bishi Min Cmt	875	+14
M'bishi Oil	1,440	+40
M'bishi Paper	1,250	−30
M'bishi Petchem	1,450	—
M'bishi Plastics	784	−6
M'bishi Rayon	696	+36
M'bishi Steel	2,830	+100
M'bishi Tst	3,350	—
M'bishi Wareh'e.	1,730	+30
Mitsui Bank	2,440	+20
Mitsui Co.	1,040	+30
Mitsui Eng Ship	800	+34
Mitsui Mng & Sm	739	+14
Mitsui Osk Line	742	+14
Mitsui Petchem	1,370	—
Mitsui Real Estate	2,990	+80
Mitsui Toatsu	848	+18
Mitsui Tst & Bkg	2,280	+80
Mitsui Wareh'se	1,030	−10
Mitsukoshi	2,180	+10
Mitsumi Elect	990	+5
Miyaji Iron Wks	749	−1
Mizuno Sporting	1,440	+10
Mochida Pharm	3,880	+20
Morinaga Milk	825	+7
Mori Seiki	2,340	—
Murata Mfg	2,490	−20
NEC	2,000	+20
NGK Insulators	1,110	+30
NGK Spark Plug	1,210	+30
NHK Spring	787	+47
NKK Corp.	951	+28
NOK Corp.	929	+21
NTN Toyo Brg	840	+10
Nachi Fujikoshi	921	+48
Nagasakiya	4,200	—
Nagase	1,250	—
Nagoya Railroad	1,090	+10
National House	1,500	—
Nichii	2,650	+20
Nichirei	1,150	+40
Nihon Cement	984	−1
Nihon Nosan	695	−1
Nihon Parkerizi.	1,040	+90
Niigata Eng	705	+1
Nikko Sec	1,940	+90
Nikon Corp.	1,280	+20
Nippon Cred Bnk	13,500	+300
Nippon Denko	940	+40
Nippon Denso	2,050	+30
Nippon Elect Gl	2,140	+40
Nippon Express	1,540	+30
Nippon Fire	1,100	+50
Nippon Flour	820	+28
Nippon Gakki	1,980	+20
Nippon Hodo	3,210	−10
Nippon Kayaku	1,220	+10
Nippon Lt Metal	790	+18
Nippon Meat Pack	1,980	+10
Nippon Mining	825	+21
Nippon Oil	1,540	−10
Nippon Paint	840	+60
Nippon Road	1,260	+10
Nippon Sanso	780	+18
Nippon Seiko	860	+13
Nippon Sharyo	1,190	—
Nippon Sh Glass	915	+39
Nippon Shimpan	1,270	+20
Nippon Shinyaku	1,480	—
Nippon Soda	715	+36
Nippon Stainless	992	+37
Nippon Steel	912	+41
Nippon Suisan	804	+9
Nippon TV	23,800	−500
Nippon Yakin	1,340	+30
Nippon Yusen	899	+15
Nippon Zeon	910	+25
Nishimatsu Cons	875	+15
Nissan Diesel	776	+22
Nissan Motor	1,280	+20
Nissei Sangyo	1,700	+20
Nisshin Flour	1,550	+30
Nisshin Oil	1,030	+41
Nisshinbo Inds.	1,380	+30
Nissho Iwai	825	+22
Nissin Electric	905	−10
Nissin Food	3,000	−50
Nitsuko	1,280	+70
Nitto Boseki	734	+14
Nitto Elect Ind	1,900	+40
Nomura	3,850	+60
Noritake	1,280	+30
Odakyu Elec Rly	1,400	+10
Ohbayashi-Gumi	1,150	+30
Oji Paper	1,800	−30
Oki Electric	970	+25
Okuma Mach	1,190	+40
Okumura-Gumi	1,210	+30
Olympus	1,100	—
Omron Tateisi	2,330	+30
Onoda Cement	1,800	+40
Ono Pharm	4,920	—
Orient Finance	1,350	+50
Orient Leasing	3,960	+60
Osaka Gas	868	+3
Penta Ocean Con	1,000	+30
Pioneer	3,400	+40
Prima Meat Pack	770	+30
Renown	925	+9
Ricoh	1,198	—
Royal Co	2,530	+30
Saitama Bank	1,560	−10
Sanden	890	+24
Sankyo	2,330	+50
Sanraku	1,270	—
Sanrio	3,960	−40
Sanwa Bank	3,030	+40
Sanwa Shutter	1,290	+10
Sanyo Elect	764	+13
Sanyo Kokusaku	1,060	−20
Sapporo	1,760	+30
Secom	6,550	+300
Seibu Railway	4,700	+50
Seino Transport	2,110	+30
Seiyu	2,070	—
Sekisui Chem	1,250	+20
Sekisui House	1,890	—
Settsu	1,000	−60
Seven-Eleven	7,340	−30
Sharp	1,140	+10
Shikoku El Pwr	4,220	+118
Shimizu Construct.	1,460	+30
Shin-Etsu Chem	1,650	+20
Shionogi	1,700	+20
Shiseido	1,680	+40
Shochiku	3,190	+40
Shokusan Jutaku	920	+20
Showa Aluminium	870	+11
Showa Denko	950	+23
Showa Elec Wire	970	+40
Showa Sangyo	760	+10
Showa Shell Sek	1,640	−30
Skylark	2,830	+20
Snow Brand Milk	1,220	+40
Sony	7,340	−20
Stanley Electric	1,000	—
Sumitomo B'lite	850	+9
Sumitomo Bank	3,940	+50
Sumitomo Cement	729	+24
Sumitomo Chem	939	+10
Sumitomo Corp	1,350	+50
Sumitomo Elect	1,480	+50
Sumitomo Heavy	960	+34
Sumitomo Light M	686	+20
Sumitomo Marine	1,340	−10
Sumitomo Met In	752	+33
Sumitomo Met Mng	1,490	+10
Sumitomo Realty	1,620	+20
Sumitomo Tr & Bk	3,130	+20
Sumitomo W'hse.	1,020	−20
Suzuki Motor	720	+2
TDK	4,670	+10
Taisei Corp	1,250	+10
Taisho Marine	1,380	+30
Taisho Pharm	2,210	+80
Taiyo Fishery	710	—
Taiyo Kobe Bank	1,460	+20
Takaoka Elect.	930	+20
Takara Shuzo	850	+19
Takashimaya	2,880	+10
Takeda	2,710	+40
Tanabe Seiyaku	1,970	+10
Teijin	820	+20
Teikoku Oil	895	+8
Tekken Constr.	1,030	+30
Toa Harbour Wks	1,060	+30
Toa Nenryo Kgo	1,840	+40
Tobishima	1,240	+10
Tobu Railway	1,490	+20
Toei Co.	1,020	+26
Toho	27,000	+200
Tohoku Electric	4,370	+190
Tokai Bank	2,310	−10
Tokai Carbon	862	+109
Tokico	890	+37
Tokio Marine	2,240	+20
Tokuyama Soda	855	+10
Tokyo B'casting	2,730	−50
Tokyo Electric Pwr	7,300	+190
Tokyo Electron	2,620	+40
Tokyo Gas	1,380	+20
Tokyo Rope	2,700	—
Tokyo Steel	3,080	+80
Tokyo Style	1,720	—
Tokyu Car	1,140	+20
Tokyu Corp	1,780	+10
Tokyu Land	1,190	+10
Toppan Print	2,040	+10
Toray	915	+23
Toshiba Elect	1,060	+30
Toshiba Eng Con	1,090	—
Toshiba Machinery	772	+22
Toshoku	790	—
Toto	2,080	+50
Toyo Construct	801	+4
Toyoda Aut Loom	1,700	+90
Toyo Ink	910	−10
Toyo Jozo	1,250	−30
Toyo Kanetsu	855	+40
Toyo Rubber	750	+12
Toyo Seikan	2,850	—
Toyo Soda	737	+17
Toyota Motor	2,580	+10
Tsubakimoto Chn	780	+10
Tsugami	784	+28
UBE Inds	700	+15
Unitika	610	+10
Victor	2,120	—
Wacoal	1,160	+20
Yamaha Motor	1,360	+30
Yamaichi Sec	1,910	+60
Yamanouchi	4,050	+50
Yamatake H'ywell	1,850	−20
Yamato Kogyo	1,950	+50
Yamato Trans	1,540	+30
Yamazaki Baking	1,430	—
Yasuda Fire	1,320	+20
Yaskawa Elect.	818	+21
Yokogawa Elect.	1,460	+20
Yokohama Bank	1,710	−10
Yokohama Rubber	1,020	+47
Yomiuri Land	2,150	−50
Yoshitomi Pharm	1,490	+20
Yuasa Battery	907	+100

AUSTRALIA

January 9	Aust$	+ or −
AWA	2.35	—
Aberfoyle	4.90	—
Adelaide Steams	5.86	+0.2
Amatil	9.00	−0.02
Amcor	4.63	+0.01
Ariadne Aust	0.14	−0.03
Arnotts	6.20	—
Ashton	1.18	—
ANZ Group	5.34	−0.22
Aust. Gas Light	2.15	+0.05
Aust Nat Inds	1.68	+0.02
BHP	7.24	+0.12
BHP Gold	0.56	—
BTR Nylex	8.96	+0.1
Bell Group	1.94	−0.04
Bell Resources	1.35	—
Bond Corp Hldgs	1.83	−0.02
Boral	3.60	+0.05
B'ville Copper	2.98	−0.02
Brambles Inds	11.10	+0.1
Bridge Oil	0.94	—
Bundaberg Sugar	2.80	—
Burns Philp	2.81	−0.01
CRA	7.92	+0.06
CSR	4.36	+0.08
Caltex Aust.	2.06	−0.04
Central Norseman	0.72	−0.01
Chase Corp	0.71	—
Claremont Petro	0.27	−0.01
Coal Allied Ind	4.80	—
Coles Myer	8.64	—
Comalco 'A'	3.95	−0.05
C'wealth Ind Gas	4.00	—
Consolidated Pet	0.17	−0.01
Duke Group	0.13	−0.02
Elders IXL	2.76	+0.02
Energy Res	3.18	−0.02
FAI Insurances	2.21	−0.14
Gen Prop Trust	2.70	−0.02
Giant Res.	0.67	+0.01
Goodman Fielder	2.00	+0.01
Hardie (J)	2.50	−0.05
Hartogen Energy	1.25	—
ICI Aust	6.90	+0.04
Industrial Equity	1.58	+0.08
Jennings Inds	2.00	—
Jones (David)	7.60	+0.1
Kidston Gold	2.49	+0.02
Lend Lease	10.40	+0.1

AUSTRALIA (continued)

January 9	Aust$	+ or −
MIM	1.80	+0.07
McPhersons	1.18	+0.03
Mayne Nickless	5.70	+0.1
Nat.Aust. Bank	6.26	+0.08
Nat Consolidated	2.62	+0.02
Newmont Aust.	1.10	—
News	9.90	+0.22
Noranda Pacific	0.65	—
North Bkn Hill	2.70	+0.05
North Kalgurli	0.23	—
Northern Star	1.22	−0.03
Oakbridge	0.35	+0.02
OPSM	2.55	—
Pacific Dunlop	4.66	+0.1
Pancont'l	1.75	−0.03
Petersville SL	2.40	—
Pioneer Conc	2.45	—
Placer Pacific	2.17	+0.01
Poseidon	2.28	—
Renison Goldfds	6.46	+0.06
Rothmans Aust.	9.80	—
SA Brewing	2.69	−0.01
Santos	3.37	+0.06
Smith (H.)	3.50	−0.15
Sons of Gwalia	5.00	—
Thos Natwide	3.64	+0.02
Tooth	7.30	—
Tubemakers Aust.	2.50	—
Vamgas	2.25	+0.05
Western Mining	4.98	+0.04
Westfield Hldg	2.97	−0.03
Weston (G)	5.00	—
Westpac	5.38	+0.12
Woodside Petrol	1.88	+0.01
Woolworths	3.61	—
Wormald Intl	1.85	—

HONG KONG

January 9	H.K.$	+ or −
Amoy Props.	3.17	+0.07
Bank East Asia	20.10	—
Cathay Pacific	9.50	—
Cheung Kong	8.70	+0.05
China Light	13.80	+0.1
China Motor	24.70	+0.1
Cross H'bour Tnl	15.10	+0.2
Dao Heng Hldgs	1.19	—
Evergo	2.85	+0.03
Hang Lung	6.00	+0.2
Hang Seng Bank	29.50	+0.4
Harbour Centre	8.95	+0.05
Henderson Inv.	1.82	+0.08
Henderson Land	5.80	+0.1
HK Aircraft	15.70	−0.1
HK China	17.70	+0.3
HK Electric	7.15	—
HK Land	9.65	+0.1
HK Realty & Tr A	5.15	+0.05
HK Shanghai Bank	6.45	−0.05
HK Shanghai Hotels	5.70	—
HK Telecomms.	4.85	+0.03
HK TV-B	1.32	—
Hopewell Hldgs	3.55	+0.1
Hutchison Wpa	9.20	+0.2
Hysan Dev	1.35	+0.02
Indust Equity P	9.50	+0.05
Jardine Math	15.90	+0.4
Jardine Strtgic	10.70	+0.2
Johnson Elect.	7.00	+0.1
Kowloon Motor	8.75	−0.05
Mandarin Orient.	4.70	+0.03
Man Fung Text.	8.90	−0.1
New World Dev	13.90	+0.1
Realty Dev A	7.20	+0.1
SHK Props	13.50	+0.3
Shaw Bros.	5.20	+0.1
Shell Elec. Mfg	1.14	−0.01
Sime Darby	2.35	−0.05
Sun Hung Kai	2.27	+0.1
Swire Pac A	19.80	+0.4
Do. B	3.37	+0.07
Wharf Hldgs	9.50	+0.1
Wing On Co	4.77	+0.02
Winsor Ind	8.45	+0.15
World Intl Hldgs	4.57	+0.02
Zung Fu	3.10	+0.03

SINGAPORE

January 9	S$	+ or −
Boustead Hldgs	1.35	+0.02
Cerebos Pacific	5.80	−0.25
Cold Storage	3.86	+0.02
DBS	7.95	+0.35
Fraser & Neave	7.00	+0.2
Genting	5.75	+0.25
Haw Par Bros	3.10	+0.11
Hong Leong Fin	2.68	+0.09
Inchcape Bhd	4.90	+0.08
Keppel Corp.	2.89	+0.05
Malayan Banking	4.62	+0.08
Malayan Utd Ind	1.77	+0.05
Multi Purpose	0.68	+0.03
OCBC	8.25	+0.2
OUB	3.42	+0.08
Public Bank	1.21	+0.03
Sime Darby	3.12	+0.06
S'pore Air Free	16.00	+1.1
Singapore Press	7.60	+0.15
Straits Trading	3.32	+0.12
Tat Lee Bank	3.00	+0.07
UOB	5.05	+0.15

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO
4pm prices January 9

Quotations in cents unless marked $.

Sales	Stock	High	Low	Close	Chng
20742	AMCA Intl	385	375	385	+10
2199	Abitibi Pr	$19¼	19⅛	19⅛	−⅛
5680	Agnico E	$11⅞	11⅞	11⅞	
38036	Albrta En	$16⅞	16½	16¾	+⅛
101300	Albrta N	$15⅛	14⅝	15	+¼
173889	Alcan	$40⅝	40	40⅛	
65226	A Barrick	$19¾	19½	19⅝	−⅛
84222	Algo I f	$8¼	8⅛	8⅛	−⅛
88570	BCE Inc	$37⅛	36⅞	37⅛	+⅛
20100	BCE D	305	300	305	+5
4225	BCE Mobl	$21⅝	21⅝	21½	
550	BC Sugar A	$32⅛	32⅛	32⅛	−⅛
11000	BGR A	$9	8⅞	8⅞	
3232	BP Canada	$18½	18⅛	18½	+¼
163357	Bk Montl	$28¼	28	28¼	+⅛
163537	Bk NScot	$14¼	14	14¼	+¼
67350	Belmoral	127	121	126	
800	Bombdr A	$12⅝	12⅝	12⅝	
8900	Bombdr B	$12½	12½	12½	
60320	Bow Valy	$14	13⅞	14	+⅛
800	Bramalea	$25⅛	25⅛	25⅛	+⅛
455300	Brascan A	$28⅛	27⅝	28⅛	+⅞
13167	Brinwater	385	375	385	
1930	BC Phone	$28⅛	28	28	−⅛
1360	Brencor	$17¼	17¼	17¼	−½
5000	Brunswk	$12¼	12¼	12¼	
35630	CAE	$10	9⅞	9⅞	
500	CB Pak	$17¾	17⅝	17⅝	−¼
200	CFCF	$20⅞	20⅞	20⅞	
870	Cambior	$11⅞	11⅞	11⅞	−¼
1100	Cambridg	$29⅛	29⅛	29⅛	+¼
240	Camp Res	86	86	86	
1700	Camp Soup	$18⅛	18⅛	18⅛	
12721	Campeau f	$16	15⅞	15⅞	−⅛
3000	C Nor West	$8½	8½	8½	+⅛
1500	C Packrs	$14⅛	14⅛	14⅛	−⅛
153100	C Expres f	83	81	83	+1
75	CG Invest	$38⅞	38⅞	38⅞	
177728	CI Bk Com	$24⅛	24	24⅛	+⅛
3800	C Marconi	$17	17	17	
30450	C Occdental	$17⅝	17½	17½	+⅛
335	CP Forest	$43	42½	43	
384225	CP Ltd	$23⅛	22⅞	22⅞	+⅛
500	C Roxy	$7⅞	7⅞	7⅞	+⅛
88751	CTire A f	$17¼	17⅛	17¼	+⅛
1998	Cutl A f	$19⅝	19½	19½	−⅛
300	Cutl B	$19⅝	19⅝	19⅝	
3800	Canamax o	480	480	480	−5
16400	Canfor	$28⅛	28	28⅛	+⅛
1008	Cara	$15⅞	15⅞	15⅞	
500	Cara A f	$15	15	15	
300	Carena	$34	33⅞	34	+½
1000	Cascades	$6¼	6⅛	6⅛	−⅛
1726	Celanese	$29⅛	29	29⅛	−⅛
1437	Cen Capital	$11	11	11	−⅛
5636	CenCap A	$8⅛	8⅛	8⅛	+⅛
5400	CenFd A	$5⅞	5⅞	5⅞	
1000	C Guar Trc	$19¼	19¼	19¼	
1200	Charan	205	200	200	+5
200	CHUM B f	$19½	19½	19½	
61340	Cineplex	$15	14⅝	15	+⅛
3085	Co Steel f	$16¾	16¾	16¾	
166137	Cominco	$25⅛	24⅞	24⅞	−⅛
52300	Computing	$5¼	5⅛	5⅛	−⅛
59605	Conneaught	$29⅛	28⅞	29⅛	−⅛
3818	Con Bath A	$14⅞	14⅞	14⅞	
1828	C HCI A f	$9¼	9⅛	9⅛	+⅛
3900	Con TVX	$5⅛	5	5	−⅛
2134	Cnsum Gas	$24⅝	24¼	24⅝	+¼
400	Cosum Pkg	$21	21	21	
1000	Conwst B	$11¼	11	11¼	+½
200	Corby A	$21⅛	21⅛	21⅛	
128735	Corona A f	$7⅝	7½	7⅝	−⅛
11100	Coscan	$11¼	11⅛	11¼	+⅛
1500	Crownx	$12	12	12	+¼
38815	Crownx A f	$5⅝	5⅝	5⅝	
2694	Denison A	$5	495	495	−5
60311	Denison B f	480	480	480	
1400	Derlan	$11⅞	11⅞	11⅞	
100	Dickman A f	$5¼	5¼	5¼	
168501	Dofasco	$27⅞	27¼	27½	+⅛
10826	D Textile	$15¼	15	15	
106750	Domtar	$15½	15	15¼	−⅛
2700	Dumagami o	$12⅞	12⅞	12⅞	−¼
150	Du Pont A	$24½	24½	24½	−¼
8516	Dylex A	$10⅛	10⅛	10⅛	
35860	Echo Bay	$16⅝	16⅝	16⅝	−⅛
300	Emco	$13⅞	13⅞	13⅞	
670	EmpireA f	$14⅛	14⅛	14⅛	
6200	Enfield	$6⅛	6⅛	6⅛	+⅛
20800	EquitySv A	405	390	390	−15
200	FCA Intl	$9	9	9	−⅛
4458	FPI Ltd	$10⅞	10⅛	10⅞	+⅛
327210	Flcnbrdg	$28⅛	27⅞	28	−⅞
8100	Fed Ind A	$17⅛	17	17⅛	+⅛
47000	Fed Pion	$13¼	13¼	13¼	−⅛
3300	Fin Trsco	50	50	50	+3
200	Fleming L	$22⅛	22⅛	22⅛	
500	FMarathA f	$7	7	7	
2200	Franco o	$7⅞	7⅞	7⅞	+⅛
193	GW Util	$23⅛	23⅛	23⅛	
8285	Galactic	450	450	450	−5
3400	Gandalf	$7⅛	6⅞	6⅞	−⅛
800	Gendis A	$18	18	18	
300	GE Can	$18⅛	18⅛	18⅛	−⅛
2300	G Trstco p	$21	20½	20½	
400	Giant Yk	$12¼	12¼	12¼	−¼
2300	Glamis	282	230	232	−3
19500	Goldcorp f	$6	5⅞	5⅞	−⅛
8220	Gld Knight	$8⅛	7⅞	7⅞	−⅛
1000	Grafton A f	$9¼	9¼	9¼	−⅛
11900	Granges	335	330	335	+5
700	GL Group	$18	18	18	
60	GtW Lifeco	$13	13	13	
317658	Gulf Res	$16⅛	15¾	15⅞	+⅛
1500	Haley	$7⅞	7⅞	7⅞	+⅛
700	Harris A	$8⅛	8⅛	8⅛	+⅛
200	Hawker	$23	23	23	+½
12213	Hayes D	$12⅞	12⅞	12⅞	+⅛
13650	Hees Intl	$25⅞	25¼	25⅜	+⅛
47041	Hemlo	$10⅝	10½	10⅝	
12800	Hollingr	$15	14⅞	14⅞	−⅛
17400	Horsham f	$6⅞	6¾	6⅞	−⅛
200	H BayMn s	$9⅛	9⅛	9⅛	−⅛
1725	H Bay Co	$25	24⅞	24⅞	+⅛
13520	Imasco L	$28½	28¼	28⅜	−⅛
243915	Imp Oil A	$55⅛	53¾	55⅛	+1⅛
246450	Inco	$31½	31⅛	31⅛	−¼
300	Indal	$14⅞	14⅞	14⅞	
4400	Inland Gas	$13	13	13	
350	Innopac	$11½	11½	11½	−⅛
3295	Inter City	$22	21⅞	21⅞	−⅛
5868	Interhome	$42½	41¾	42½	+⅛
28830	Intl Thom	$15½	15⅜	15½	+⅛
300	Inv Grp	$14⅛	14⅛	14⅛	+⅛
300	Ipsco	$17½	17½	17½	
300	Ivaco A f	$11⅞	11⅞	11⅞	
24916	Jannock	$20⅛	20½	20⅝	−⅛
100	Kelly DA	$39	39	39	−¼
30	Kerr Add	$21⅞	21⅞	21⅞	
6600	Labatt	$21½	21¼	21½	
196101	Lac Mnrls	$12⅝	12⅛	12¼	−⅛
1669	Lafarge p	$19⅝	19⅝	19⅝	+⅛
4602	Laidlaw A	$19	18⅞	19	
239305	Laidlw B f	$17⅞	17⅝	17⅞	+⅛
1250	Laur Gr B	$6¾	6½	6½	−⅛
700	LawsnM A	$12⅞	12⅝	12⅝	+⅛
1780	Loblaw Co	$10⅝	10⅝	10⅝	+⅛
31720	Lonvest	$17¾	17⅝	17¾	+⅛
4300	Lumonics	485	450	485	+15
100	MDS A	$23⅛	23⅛	23⅛	−⅛
1400	MDS B	$21⅛	21⅛	21⅛	+⅛
21050	Mac Kenzie	485	480	485	
84601	Mclan H X	$14¼	14	14⅛	+¼
32548	Mcln HY f	$12⅛	12	12⅛	
50355	Macmilan	$19	18½	18¾	+⅛
35135	Magna A f	$13¾	13⅛	13¾	+⅝
6905	Maritime f	$15⅝	15⅜	15½	+⅛
800	Mark Res	$9	9	9	
65650	Memotec	$10¼	10⅛	10¼	−⅛
12000	Metall M	$12¼	12	12	−⅛
2250	Minnova	$22	22	22	
12030	Mitel Corp	335	325	325	
1138	Molson A f	$27½	27¼	27½	+⅛
200	Molson B	$27⅞	27⅛	27⅞	+⅛
4490	M Trusco	$18½	18½	18½	
141300	Moore	$32⅛	31½	31⅞	+½
72800	Muscocho	400	390	390	−10
225781	Nat Bk Can	$12	11⅞	11⅞	+⅛
26700	N Business	115	112	112	−2
1100	Nt VG Trco	$23⅛	23⅛	23⅛	−⅛
500	NewTel Ent	$16⅝	16⅝	16⅝	+⅛
4000	Noma A	$16⅞	16⅝	16⅞	
3600	Noranda F	$14⅞	14⅞	14⅞	
471919	Noranda	$26¼	25¾	26⅛	+⅛
3100	Norcen	$19⅛	19½	19⅞	+⅛
1121	Norcn A f	$17⅞	17½	17⅞	+⅛
3703	NC Oils	$20⅛	19⅞	19⅞	+⅛
37925	Nor Tel	$19½	19⅛	19½	+⅛
9000	Northgat	$6⅝	6½	6½	+⅛
158527	Nova f	$12	11⅞	11⅞	+⅛
3500	Noverco	$10⅛	10⅛	10⅛	+⅛
30600	Nowsco W	$15¼	15	15¼	+⅛
2600	Numac	$6⅞	6⅞	6⅞	−⅛
146850	Ocelot B f	$9	8⅝	9	+½
200	Omega Hyd	285	285	285	
10250	Onex f	$11⅞	11⅞	11⅞	−⅛
17968	Oshawa A f	$23½	23¼	23½	
4870	PWA Corp	$14⅞	14⅞	14⅞	
30470	Pgurin A f	$8⅛	7⅞	8⅛	+⅛
1800	Pegasus	$13½	13⅝	13½	−⅛
25695	PJewl A f	$17½	17⅛	17½	
8250	Pioneer M	280	277	280	+3
570438	Placer Dm	$15¼	15⅛	15⅛	−⅛
147380	Poco Pet	$9¼	9	9⅛	+⅛
39404	Powr Cor f	$13⅜	13⅛	13⅜	+⅛
56050	Powr Fin	$15⅞	15⅞	15⅞	+⅛
5150	Provigo	$10⅛	10⅛	10⅛	+⅛
1150	Quebcor A	$20⅛	20	20	−⅛
179082	Ranger	$8⅛	8	8⅛	+⅛
4700	Rayrock f	$8⅛	8	8	−⅛
31650	Redpath	$15	14⅞	14⅞	+½
135878	Renissnce	$14⅛	13½	13⅞	+⅛
11300	Repap f	$12⅛	12	12⅛	+⅛
3290	Rio Algom	$24⅛	24	24	+⅛
21770	Rogers B f	$64	63¾	64	
550	Roman	$11⅛	11⅛	11⅛	
65	Rothman	$55¼	55¼	55¼	
114555	Royal Bnk	$37¾	37⅜	37¾	+½
3348	RyTrco A	$18¼	18	18¼	
1800	SHL Syst	$10	9⅞	10	
1500	SNC A f	390	390	390	+5
9000	StL CemA f	$14½	14⅞	14½	+⅛
100	Samuel MT	$18⅛	18⅛	18⅛	−⅛
8800	Saskoil	$8⅞	8⅝	8⅞	+⅛
176400	Sceptre	340	325	340	+20
133	Scot Paper	$18¼	18¼	18¼	+⅛
304600	Scotts f	$14	13⅞	14	+⅛
101730	Seagram	$75¾	74⅝	75½	+1½
20215	Sears Can	$13⅛	13⅛	13⅛	
65880	Shell Can	$44¼	43¾	44⅜	+⅞
77730	Sherritt	$12	11⅞	11⅞	
10000	Sonora	170	170	170	
5570	Southam	$31½	31⅛	31⅛	−⅛
2800	Spar Aero f	$17⅛	17⅛	17⅛	
3180	Steinbg A f	$32⅝	32½	32⅝	−⅛
154800	Stelco A	$23⅞	23⅛	23⅛	
1600	TCC Bev	$7⅞	7⅞	7⅞	−⅛
120835	Teck B f	$18½	18⅛	18⅛	−⅛
300	Tembec A	$7⅞	7⅞	7⅞	
10500	Terra Nin	42	42	42	
729405	Texaco Can	$46¼	45¾	46	+½
58800	Thom N A	$28	27⅞	27⅞	
88587	Tor Dm Bk	$34½	34⅛	34⅜	+⅛
2335	Tor Sun	$26	25½	26	+½
8580	Torstar B f	$32½	32⅛	32⅛	−⅛
38200	Total Pet	$26⅛	25⅞	26⅛	+½
21554	TrnAlta U	$13⅝	13½	13⅝	+⅛
169029	TrCan PL	$14⅞	14⅝	14⅞	+⅛
2780	Trilon A	$17⅛	17⅛	17⅛	−⅛
11113	Trimac	360	355	360	
40	Trizec A f	$32	32	32	
1800	Trizec B	$33½	33⅛	33½	+½
300	UAP A	$14¼	14¼	14¼	−⅛
100	Unicorp A	$7⅞	7⅞	7⅞	−⅛
2800	UngavcoB f	375	370	370	
1840	Un Carbid	$25⅛	24½	24½	−1⅛
414	U Entprise	$9⅞	9⅞	9⅞	−⅛
184	Un Corp	$33	33	33	−1
66036	Verity C	355	350	350	
14050	Viceroy R	455	445	445	−10
3700	Videotrn f	$13⅛	13⅛	13⅛	+⅛
10527	WIC B f	$13⅛	13⅛	13⅛	
700	Wrdalr A f	$8⅞	8¼	8⅞	+½
12370	Wst Fraser	$17½	17¼	17½	+⅞
3980	Wcoast E	$16⅛	16⅛	16⅛	+⅛
7800	Westmin	$10	9⅞	10	+⅛
1200	Weston	$35¼	35¼	35¼	−⅛
1050	Woodwd A	440	440	440	
1100	Xerox Can	$17⅞	17⅞	17⅞	

f–No voting rights or restricted voting rights.

MONTREAL
4pm prices January 9

Sales	Stock	High	Low	Close	Chng
12829	BombrdrA	$12½	12⅜	12⅜	−⅛
47100	BombrdrB	$12½	12⅜	12⅜	−⅛
1300	CB Pak	$17⅞	17⅞	17⅞	−⅛
45490	Cascades	$8¼	8⅛	8⅛	
1428	ConBath	$15	14⅞	14⅞	−⅛
14981	DomTxtA	$15⅛	15	15	
2490	MntTrst	$18½	18⅜	18⅜	−⅛
686358	NatBk Cda	$12	11⅞	11⅞	+⅛
28375	Noverco	$10⅞	10⅞	10⅞	
31040	Power Crp	$13⅛	13⅛	13⅛	+⅛
13164	Provigo	$10⅞	10⅞	10⅞	+½
51382	Royal Bank	$37¾	37⅜	37⅝	+⅜
4400	SteinbrgA	$32⅛	32	32⅛	−⅛
12745	Videotron	$13⅛	13⅛	13⅛	

Total Sales 5,805,593 shares.

INDICES

NEW YORK — DOW JONES

	Jan 9	Jan 6	Jan 5	Jan 4	1988/89 High	1988/89 Low	Since compilation High	Since compilation Low
◆Industrials	2199.46	2194.29	2190.54	2177.68	2199.46 (9/1/89)	1879.14 (20/1/88)	2722.42 (25/8/87)	41.22 (2/7/32)
Home Bonds	88.35	88.40	88.35	88.42	91.25 (3/3/88)	86.12 (4/1/88)	—	—
Transport	986.38	984.44	978.11	978.76	986.44 (6/1/89)	737.57 (21/1/88)	1101.16 (14/8/87)	12.32 (8/7/32)
Utilities	187.23	186.40	186.34	186.76	190.02 (29/1/88)	167.26 (20/4/88)	227.83 (22/1/87)	10.50 (8/4/32)

◆Day's High 2209.11 (2213.75) Low 2185.00 (2182.32)

STANDARD AND POOR'S	Jan 9	Jan 6	Jan 5	Jan 4	1988/89 High	1988/89 Low	Since compilation High	Since compilation Low
Composite ‡	280.98	280.67	280.01	279.43	282.88 (20/10/88)	242.63 (20/1/88)	336.77 (25/8/87)	4.40 (1/6/32)
Industrial (latest)	325.08	326.74	324.41	323.44	327.53 (24/10/88)	277.86 (20/1/88)	393.17 (25/8/87)	3.62 (21/6/32)
Financial	25.08	24.93	24.81	24.77	26.42 (20/10/88)	21.51 (8/1/88)	32.43 (25/8/87)	8.64 (1/10/74)
NYSE Composite	158.15	157.96	157.49	157.06	159.01 (20/10/88)	136.72 (20/1/88)	187.99 (25/8/87)	4.46 (28/4/42)
Amex Mkt. Value	313.54	311.40	309.42	307.77	313.54 (9/1/89)	262.76 (12/1/88)	365.01 (13/8/87)	29.31 (9/12/72)
NASDAQ OTC Comp	385.28	384.76	383.79	382.76	394.77 (18/7/88)	331.97 (12/1/88)	455.28 (26/8/87)	54.87 (31/10/72)

	Jan 6	Dec 30	Dec 23	year ago (approx.)
Dow Industrial Div. Yield	3.66	3.70	3.70	3.62

	Jan 5	Dec 28	Dec 21	year ago (approx.)
S & P Industrial div. yield	3.17	3.20	3.19	3.31
S & P Indl. P/E ratio	12.97	12.86	12.86	16.39

TRADING ACTIVITY † Volume Millions

	Jan 9	Jan 6	Jan 5
New York	(u)	162.668	175.937
Amex	9.021	9.546	9.970
OTC	(u)	123.650	135.043

NEW YORK	Jan 9	Jan 6	Jan 5
Issues Traded	1,966	1,957	1,937
Rises	868	971	821
Falls	617	509	604
Unchanged	481	477	512
New Highs	61	48	53
New Lows	13	7	9

CANADA

TORONTO	Jan 9	Jan 6	Jan 5	Jan 4	1988/89 High	1988/89 Low
Metals & Minerals	3346.7	3419.2	3338.6	3297.5	3419.2 (6/1/89)	2238.7 (8/2/88)
Composite	3445.1	3350.5	3409.0	3381.7	3445.1 (5/7/88)	2977.9 (8/2/88)
MONTREAL Portfolio	1740.60	1718.83	1711.25	1693.89	1723.71 (5/7/88)	1305.06 (27/1/88)

NEW YORK ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Nabisco	3,456,900	94¼	+ ¾
Savin Bus	2,836,000	3 1/32	− 1/32
Phillips Pet	2,210,500	20⅜	− ⅛
Nova Corp	2,107,900	10⅜	+ ⅜
PSVC Col xd	1,981,000	20⅝	− ⅝
Gen Elec	1,717,000	44⅝	− ¾
Eastman Kodak	1,706,800	44½	− ¾
Polaroid	1,537,500	36⅞	− 1⅞
Baxter Intl	1,533,600	17⅞	− ⅜
Navistar	1,494,600	5⅜	− ⅛

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Jan. 9	Jan. 6	Jan. 5	Jan. 4	1988/89 High	1988/89 Low
AUSTRALIA						
All Ordinaries (1/1/80)	1489.3	1478.3	1473.7	1471.2	1657.8 (9/8/88)	1170.7 (10/2/88)
All Mining (1/1/80)	677.1	675.1	671.3	672.5	847.8 (9/8/88)	532.4 (10/2/88)
AUSTRIA						
Credit Aktien (30/12/84)	224.10	(c)	223.26	222.50	225.48 (4/11/88)	163.98 (11/2/88)
BELGIUM						
Brussels SE (1/1/84)	5593.70	5561.66	5525.10	5519.30	5593.70 (9/1/89)	3608.35 (4/1/88)
DENMARK						
Copenhagen SE (3/1/83)	282.98	283.07	285.32	281.11	285.52 (5/1/89)	180.68 (4/1/88)
FINLAND						
Unitas General (1975)	727.5	727.9	725.0	723.3	772.1 (8/8/88)	530.6 (15/1/88)
FRANCE						
CAC General (31/12/82)	438.0	433.5	426.3	417.9	438.0 (9/1/89)	251.3 (29/1/88)
Ind. Tendance (30/12/88)	104.3	104.1	102.4	100.8	104.3 (9/1/89)	100.0 (1/1/89)
GERMANY						
FAZ Aktien (31/12/58)	566.58	562.35	567.51	566.17	567.51 (5/1/89)	396.40 (29/1/88)
Commerzbank (1/12/53)	1702.0	1689.8	1705.6	1701.4	1705.6 (5/1/89)	1207.9 (29/1/88)
DAX (30/12/87)	1366.55	1359.98	1371.10	1365.08	1371.10 (5/1/89)	931.18 (28/1/88)
HONG KONG						
Hang Seng Bank (31/7/64)	2792.27	2766.65	2758.54	2736.83	2792.27 (9/1/89)	2223.56 (8/2/88)
ITALY						
Banca Com. Ital. (1972)	599.02	(c)	598.78	599.51	599.51 (4/1/89)	423.91 (9/2/88)
JAPAN**						
Nikkei (16/5/49)	30678.39	30209.54	30183.79	30243.6	30678.39 (9/1/89)	21217.04 (4/1/88)
Tokyo SE (Topix) (4/1/68)	2401.81	2366.91	2368.09	2375.38	2401.81 (9/1/89)	1690.44 (4/1/88)
NETHERLANDS						
ANP-CBS General (1970)	294.5	292.8	293.8	291.4	294.5 (9/1/89)	205.7 (4/1/88)
ANP-CBS Industrial (1970)	257.7	256.8	258.3	256.1	258.3 (5/1/89)	157.9 (11/1/88)
NORWAY						
Oslo SE (4/1/83)	492.48	488.39	486.8	479.38	492.48 (9/1/89)	327.78 (28/1/88)
SINGAPORE						
Straits Times Ind. (30/12/66)	1072.99	1043.34	1034.13	1030.69	1177.87 (8/8/88)	833.60 (4/1/88)
SOUTH AFRICA						
JSE Gold (28/9/78)	1303.0	1300.0	1301.0	1295.0	1451.0 (7/7/88)	1154.0 (4/5/88)
JSE Industrial (28/9/78)	2032.0	2009.0	1994.0	1972.0	2032.0 (9/1/89)	1387.0 (12/2/88)
SPAIN						
Madrid SE (30/12/85)	274.32	(c)	273.44	273.36	301.63 (15/6/88)	225.50 (4/1/88)
SWEDEN						
Jacobson & P. (31/12/56)	3453.1	(c)	3388.7	3352.3	3453.1 (9/1/89)	2148.5 (4/1/88)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	622.3	618.4	618.1	613.4	622.3 (9/1/89)	466.6 (13/1/88)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	494.6	496.5	497.1	497.2 (3/1/89)	401.0 (21/1/88)

**Saturday Jan. 7: Japan Nikkei (c) TSE (c) § Subject to official recalculation.

Base values of all indices are 100 except Brussels SE and DAX – 1,000 JSE Gold – 255.7 JSE Industrials – 264.3 and Australia, All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Monday 9 January 1989

	Stocks Traded	Closing Prices	Change on day
Mitsubishi Heavy Ind	139.0m	1,120	+50
Mitsubishi Electric Co	40.9m	1,080	+60
Kawasaki Steel	37.1m	1,000	+51
Cosmo Oil	29.0m	1,180	−10
Nippon Steel	28.4m	912	+41
NKK	24.3m	951	+28
C Itoh	22.5m	1,080	+40
Fujita	20.9m	1,000	+28
Daido Steel	19.8m	888	+40
Marubeni	19.2m	859	+16

4pm prices January 9

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		- A-A-A -								
27⅞	16½	AAR	.44	1.8	17	359	25	24¼	24¼	-⅝
10⅛	8⅞	ACM n	1.01	11.		122	9⅜	9¼	9¼	-⅛
12⅛	10¼	ACMIn	1.26a	12.		506	10⅝	10⅝	10⅝	
10¼	8½	ACM M	n.17e	1.9		180	9¼	8⅞	9	-⅛
12⅛	10⅛	ACMSc	n1.26	12.		713	10⅝	10⅝	10⅝	-⅛
10⅛	8½	ACMSp	n1.01a	11.		x673	9⅛	8⅞	9	
5¼	2⅝	AMCA	.12e	3.7		6	3⅛	3¼	3¼	+⅛
6⅛	3⅞	AM Intl				345	5⅞	5⅝	5¾	
23¼	18⅛	AM Int pf	2	9.0		22	22⅛	22⅛	22⅛	+⅛
55	32⅜	AMR			9	3393	53½	52⅞	53	-⅜
9½	5⅝	ARX			10	288	6⅝	6	6⅛	
50¼	35¼	ASA	3a	7.8		198	38¾	38½	38½	-⅜
20⅛	12¾	AVX	.24	1.3	13	331	19	18½	18⅞	+½
52⅞	42⅞	AbtLab	1.20	2.6	15	x6369	47¼	46⅛	46¼	-⅝
20¾	15⅝	Abitibi g	1			x44	16¾	16⅛	16¼	+⅛
13⅞	7½	AcmeC	.40	4.0		52	10	9¾	10	+⅛
8⅞	6⅞	AcmeE	.32b	5.1	27	2	6⅛	6¼	6¼	
29½	15¾	Acuson			23	761	24⅞	24¼	24⅞	+⅜
17	14½	AdaEx	1.82e	12.		170	14¾	14⅝	14⅝	+⅛
18⅞	7⅛	AMD			17	4402	9⅜	9⅛	9¼	+⅛
43½	28¾	AMD pf	3	9.4		45	32¼	32	32	+⅛
8½	5½	Adobe				217	6⅞	6⅝	6⅞	+⅛
18½	16¼	Adob pf	1.84	11.		4	17⅛	17⅛	17⅛	
21¾	20	Adob pf	2.40	12.		6	20½	20⅜	20⅜	+⅛
9¾	6⅞	Advest	.12	1.6	23	22	7⅝	7½	7½	-⅛
52½	39½	AetnLf	2.76	5.8	8	9008	47¾	47⅛	47½	-1⅛
37⅝	24	AflPb s	.22	.6		338	34½	34⅛	34⅜	+¾
19⅝	13¾	Ahmans	.88	5.1	10	7505	17¼	16⅞	17⅛	+⅜
4⅝	1⅞	Aileen			21	63	3⅞	3⅝	3⅝	-⅛
53⅝	36½	AirPrd	1.20	2.7	11	2493	44⅛	43⅝	44	+⅛
23¾	12¾	AirbFrt	.60	2.7	22	96	22⅞	22½	22⅝	-⅛
16¾	10	Airgas			17	91	15½	15⅜	15½	
20	16⅞	Airlease	2.40	13.	9	19	19	18⅞	19	-¼
9¼	8½	AlaP dpf	.87	9.8		5	8⅞	8⅞	8⅞	+⅛
97	89	AlaP pf	9	9.6		z50	93½	93½	93½	+½
22½	13½	AlskAir	.20	1.0	10	x398	20¾	20⅝	20⅝	+⅛
19¾	12	Albnyln	.25	1.5	12	89	17⅛	16¾	17⅛	+⅜
38¼	19⅜	Alberto	.30	.8	18	10	36⅞	36½	36½	-⅜
26¾	16⅛	AlbCulA	.30	1.1	13	14	26⅞	26⅞	26⅞	
39¾	24	Albtsn	.56	1.5	17	1113	38⅝	38¼	38½	+¼
33⅞	23½	Alcan s	1.20	3.6	7	2196	33¾	33⅜	33⅜	+¼
28	20½	AlcoStd	.76	2.8	12	4686	27	26⅞	26⅞	-⅜
28¼	17¾	AlexAlx	1	4.2	16	323	23⅞	23½	23⅝	-⅛
77	40⅞	Alexdr			94	7	67⅞	67¼	67½	
76⅛	67⅞	AllegCp			10	16	71½	71¼	71½	+½
6⅞	1¼	vjAlgInt				512	1⅞	1⅝	1⅞	+¼
10⅞	2	vjAlgl pr				3	3⅝	3⅝	3⅝	+⅜
35⅞	7½	vjAlgl pfC				14	12	11½	12	+⅜
32¾	19¾	AlgLud	1a	3.1	8	241	32	30¾	32	+1¼
41½	35¾	AllgPw	3.08	8.3	10	667	37⅛	37	37⅛	-⅛
14⅛	8⅜	AllenG				376	14⅛	13⅞	14	+⅛
16	12¼	Allen pf	1.75	11.		9	u16⅛	16	16⅛	+¼
11⅞	9⅜	AlnCap	n1.29	12.		246	11⅛	10⅞	10⅞	+⅛
21	12½	AlldPd				57	15⅝	15⅜	15½	-⅛
38⅞	28	AldSgnl	1.80	5.4	11	10863	33½	33	33⅛	-⅜
10¾	9½	AlstMu	.78a	7.8		227	10⅜	10¼	10¼	-⅛
10¼	9¼	AlsMII	n.50e	5.2		252	9¾	9⅝	9⅝	
10⅝	9⅞	AlsMO	n.13e			190	10⅛	10	10	
37¾	25¾	ALLTEL	1.72	4.8	10	674	35⅝	35⅛	35¾	+¼
58	38⅝	Alcoa	1.40	2.4	7	2437	u58⅛	57¼	58⅛	+½
19	11¼	AmaxG	.08	.5	20	580	16	15⅝	16	
24⅝	16¼	Amax	.40	1.7	12	1689	23¾	23¼	23⅜	+⅛
15¼	8¼	Amcast	.48	3.7	10	139	13⅛	13	13⅛	-⅛
33¼	22½	AmHes	.60	1.8		1228	32⅞	32⅝	32¾	+¼
23	14¼	ABarck	.10e	.5		685	16⅝	16¼	16⅜	+⅛
71¾	42¼	AmBrnd	2.44	3.8	11	3082	65¼	64	64⅜	+⅞
30⅝	27⅛	ABrd pf	2.75	10.		5	27⅜	27⅛	27⅜	+⅛
134½	85½	ABrd pf	2.67	2.1		1	130	130	130	
23½	18	ABldM	.92	3.3	16	x28	28	27⅜	28	+¼
28¾	18	ABusPr	.88	3.3	13	10	26½	26⅜	26⅜	-⅜
22⅝	19¼	ACapBd	1.89e	9.3		66	20½	19⅞	20⅜	+⅛
26¼	19¾	ACapCv	2.80e	13.		25	21½	20¾	21½	+⅜
10¼	8⅞	ACapIn	n1.10a	12.		140	9⅜	9	9⅛	+¼
14	8¼	ACMR	1	11.	10	63	9¼	9	9¼	+⅛
58	42⅞	ACyan	1.20	2.5	14	4866	49¼	48⅜	48⅝	+⅞
29¼	25⅞	AEIPw	2.32a	8.6	9	1713	27⅛	26¾	26⅞	
30¼	22⅞	AmExp	.84	3.0	17	5752	28½	28	28⅛	+½
17	11½	AFamly	.28	2.0	10	774	14	13⅝	13¾	+¼
36⅞	27⅜	AGnCp	1.40	4.6	9	2195	30¾	30⅛	30¼	-⅛
8½	7⅝	AmGvI	n.84a	11.		110	7⅞	7¾	7¾	-⅛
10⅛	9¼	AGIP n	.31e	3.2		81	9⅞	9⅝	9¾	
19½	16⅝	AHltPr	2.12	12.	12	147	18⅜	18¼	18⅜	
27	24	AHerit	1.08	4.2	12	x1	25¾	25¾	25¾	+⅛
13⅜	8⅛	AHoist				112	12⅛	12¼	12⅜	-⅛
24¼	16	AHoist pf	1.95	8.5		9	23	22¾	23	+¼
85¼	70⅜	AHome	3.60	4.5	13	4570	81⅛	80⅜	80⅜	-⅞
97⅞	82¼	Amrtch	5.84	6.1	10	1200	95⅜	94¾	95⅜	+⅞
48⅞	41	Amrtc wi				17	48⅛	47⅝	48⅛	+⅜
69	49	AIntGr	.40	.6	10	3437	u69¾	68⅞	68¾	+¼
18⅜	11⅛	AMI	.72	4.6	13	x1502	16½	15¾	15¾	-⅜
35⅞	22⅝	APresd	.50	1.5	10	335	34	33⅞	34	+¼
62⅞	48½	APrsd pf	3.50	6.0		6	58	58	58	
16⅞	14¾	AREst	2	13.	8	52	15½	15¼	15¼	-⅛
5⅛	3⅞	AmRlty	.72	16.	3	z383	4⅝	4⅝	4½	+⅛
18⅝	11¾	ASB	.80	6.2	3	130	13	12	13	+⅞
19½	15⅞	ASB pf	1.81	11.		x295	15⅞	15⅞	15⅞	+⅛
6⅝	3⅞	AShip				121	4¾	4½	4½	-⅛
66½	47⅝	AmStor	1	1.7	18	1084	60¼	59	60	+1¼
72	55⅞	AStr pfA	4.38	6.5		127	67⅛	66	67	+1¼
30⅛	24⅛	AT&T	1.20	4.1	14	8000	29	28½	29	+¼
18⅜	14⅞	AmWtr	.74	4.2	10	52	17⅛	17½	17½	
15⅛	13⅛	AWat pr	1.25	8.9		z20	14	14	14	-⅛
14¼	8⅞	AmHotl			61	5	13⅜	13¼	13⅜	
40¼	29¾	Ameron	1.12	3.6	12	11	31	30¾	31	
18¾	11	AmesDp	.10	.7	13	828	14⅝	14⅜	14½	
17⅞	12½	Ametek	.60	4.7	14	2259	12¾	d12¼	12¾	
11⅞	10	AmevSc	1.08a	11.		19	10⅛	10⅛	10⅛	-⅛
80¼	67⅝	Amoco	3.50	4.5	10	3393	77¾	76¼	77¾	+1¼
54¼	40½	AMP	1	2.2	17	1601	45	44⅝	44⅞	+¼
15¾	11⅞	Ampco	.30	2.1		178	14⅛	14	14	
18⅛	8¼	Amre s	.09	.7	18	148	12½	12⅛	12¼	-⅛
10⅛	7⅛	Amrep			41	18	7⅞	7⅞	7⅞	
28⅜	22⅞	AmSth	1.32	5.8	9	242	23¾	23¼	23⅝	+⅛
11½	6	Anacmp			10	1448	7	6⅞	7	
28	22	Anadrk	.30	1.2	42	1775	26	25¾	25⅞	-⅛
16⅛	9⅞	Analog			16	1466	12¾	12½	12⅝	
21¾	7⅛	AnchGl	.08	.9	26	251	9¼	9⅛	9¼	
27⅜	19⅝	Angelic	.76	3.3	13	242	23	22½	23	+½
12¾	8	AngelRl	1.52	17.		71	8⅞	8⅞	8⅞	+½
34⅜	29	Anheus	.72	2.3	13	5948	31¼	30⅞	30⅞	-⅛
14⅞	7⅞	Anthem			11	231	10½	10¼	10⅝	+⅛
13⅜	7⅜	Anthny	s.44	3.8	8	80	11⅝	11½	11⅝	
28¼	21⅞	Aon cp	1.28	4.4	11	747	u29	27⅛	29	+1⅛
8¼	6	Apache	.28	3.2		1112	8⅝	8⅜	8⅝	+⅛
89	80½	ApPw pf	8.12	9.0		z50	83	83	83	
27⅞	25⅞	ApPw pf	2.65	10.		18	26½	26½	26½	-⅛
37½	23¾	ApplBk			6	297	30¾	30	30⅜	+⅜
17½	11	ApplMg			10	173	15	14⅞	14⅞	-⅛
23¼	17⅛	ArchDn	.10b	.5	10	12094	21⅛	20⅞	21	-⅛
35	23¼	ArcoCh	1	3.5	7	489	30	29⅝	29⅞	+⅛
36	22¼	Aristec	.92	3.2	4	498	28⅞	28½	28⅝	-⅛
93	70¼	ArtP pf	7.08e	9.9		z200	71½	71½	71½	+1¼
21⅛	17⅜	Arkla	1.08	5.3	19	1442	20¾	20½	20½	-⅛
43	38	Arkla pf	3	7.4		17	40¾	40¾	40¾	-⅛
12½	9	Armco			27	1928	10⅞	10⅝	10¾	+⅛
24¾	21⅛	Armc pf	2.10	8.8		1	23⅞	23⅞	23⅞	+⅛
44⅜	39¼	Armc pf	4.50	10.		2	43⅞	43¾	43⅞	+⅛
44	29½	ArmWl	1	2.9	10	1214	35	34½	35	+½
51½	43½	ArmW pf	3.75	7.4		z400	51	51	51	+½
10¾	5⅞	ArowE			13	199	6⅝	6⅜	6½	-⅛
19¼	12⅜	ArowE pf	1.94	14.		z43	13⅞	13⅝	13⅝	-⅛
41¼	15¼	Artra				81	29¼	28⅝	28¾	-⅜
26¼	18½	Arvin	.68	3.4	30	147	20	19½	20	+½
28⅜	19¾	Asarco	.80	2.9	5	1000	27⅞	27⅛	27⅜	
12⅛	10	AsCoal	n.05e	.4	6	1458	u12⅞	11⅞	12⅞	+1
37⅞	28½	AshOil s	1	2.9	9	1111	35⅛	34⅛	34⅞	+⅛
7⅛	5	AsiaPc	.07e	1.0		695	6⅞	6½	6⅞	+⅜
16⅞	10⅛	Asetlav	2.73e	23.	4	449	12⅛	11⅞	12⅛	
8¼	3⅞	AtalSos	.40e	8.9	6	4	4½	4½	4½	
34⅝	11	Athlone	1.60	4.9		207	34	32¼	32½	-1½
28	22⅛	AtlGas	1.88	7.4	11	345	25¾	25⅜	25½	
35	31⅛	AtlEnrg	2.76	8.3	9	75	33⅜	33	33⅛	+⅛
90⅞	67½	AtlRich	4	4.9	10	6124	82¼	80¾	81⅜	-⅞
42¼	26¾	AtlasCp				75	28½	d25¼	25¾	-1½
17¼	13⅜	ATMOS	1.12	6.8	7	280	16⅝	16¼	16½	+⅛
8	3⅞	AudVd			24	45	5¾	5⅝	5¾	-⅛
15⅞	10½	Augat	.40	3.1		540	13⅛	12¾	12¾	-⅛
37¼	13⅞	Ausimt	.60	1.8	16	393	33⅞	33½	33⅝	+⅛
47¼	34⅝	AutoDt	.52	1.3	17	3872	39⅛	38½	38⅜	-1⅛
8⅝	4⅛	Avalon				415	u 6⅞	6½	6¾	+⅛
23¾	17⅞	AVMCO	.34	1.3	13	16	25⅞	25⅝	25⅞	
26	19¼	Avery	.48	2.1	21	637	23⅜	22⅞	23⅜	+⅜
28⅛	19	Avnet	.50	2.2	16	1244	23⅛	22⅝	22⅞	-½
22⅛	18⅝	Avon	1	4.7		3690	21⅝	21⅛	21¼	+⅛
26¼	19⅛	Avon pf	2	8.5		1714	23½	22¾	23½	+⅜
17	12⅛	Aydin s			10	16	15½	15⅛	15⅛	
		- B-B-B -								
32⅞	29⅛	BCE g	2.48			1010	31⅛	30⅞	31	
18⅞	14⅞	BET	.89e	5.8	9	2	15⅜	15¾	15⅜	-⅛
8⅛	4⅞	BMC			7	7	7⅛	7	7	-⅛
31⅞	25⅝	BRE	2.40	8.0	15	47	30⅛	29⅞	30	-⅛
19⅛	16⅝	BRT	2.48	13.	7	43	18⅜	18⅜	18⅜	
31	18⅞	Bairnco	.90	3.7		72	24⅜	24⅛	24⅛	
22	16⅞	BakrF	s2.32e	12.		44	19¾	19½	19⅝	
19⅞	12⅛	BakrHu	.46	3.2	32	5705	15	14⅝	14⅝	-½
51¼	38½	BkrH pf	3.50	8.1		11	43¼	42⅞	43¼	+⅜
28⅞	21⅛	Baldor	.56	2.4	24	585	23¼	23	23⅛	-⅛
35¼	25⅝	Ball	1.08	3.9	11	445	27½	27⅛	27⅜	
25¼	13	BallyMf	.24	1.1	22	2196	22⅝	22¼	22⅜	
17¼	11⅛	BaltBcp	.60	3.6	99	195	14	13⅞	14	+⅛
33¼	29½	BaltGE	2	6.4	9	320	31⅛	31⅛	31¼	
27⅝	21½	BncOne	.92b	3.9	9	1548	23¾	23⅛	23⅜	+⅜
33⅞	35	BcBilV n				11	35⅜	35⅛	35⅛	
1⅞	9-16	BanTex				229	13-16	¾	¾	
67¼	53	Bandag	.90	1.4	15	72	65¼	65	65⅞	+1⅛
30	20⅞	BkBost	1.24	5.2	8	714	24⅛	23⅞	23⅞	+⅛
51⅛	39½	BkB pfA	3.58e	8.9		6	40	40	40	
51	37½	BkB pfB	6e	16.		385	38½	38½	38½	+⅛
98¼	65½	BkB pfC	6.25e	9.3		z180	67½	67½	67½	
30⅞	27⅜	BkNE	1.36	6.0	7	2501	23	22½	22⅝	+⅛
37⅝	28	BkNY	1.82	5.2	6	1191	37⅛	36¾	36⅞	
19⅛	6⅞	BnkAm			9	4189	18⅛	18	18⅛	
37¼	25¾	BkA pf	3.56e	11.		42	33¼	33¼	33¼	-⅛
61½	43	BkA pf	6e	11.		81	55⅛	55	55⅛	+⅛
7⅞	5¼	BkA pf	2.25			56	6¼	6⅛	6¼	+⅛
41⅛	20⅞	BankTr	2.08	5.6	4	1612	37½	36⅞	37⅜	+⅜
19¾	9½	Banner s				24	17	16⅞	16⅞	+⅛
24⅝	16⅞	Bard s	.32	1.4	18	1260	23⅛	22⅞	22⅞	+⅛
37⅛	30	BarnGp	1.20	3.4	11	7	35⅛	35⅛	35⅛	-⅛
37⅛	29⅛	Barnett	1.04	3.0	8	523	34½	34⅛	34⅜	+⅛
5	4⅛	Barold	n.05e	1.0		6806	5	4⅞	4⅞	
9	4⅛	BaryWr	.60e	12.		22	5⅛	5⅛	5⅛	
2⅜	⅛	vjBASIX				77	⅛	15-32	15-32	
19⅛	12⅞	BatlMt	.10	.7	14	2453	14	13⅞	14	+⅛
48	35⅜	Bausch	1	2.3	14	295	43⅞	43½	43⅛	+⅛
26⅛	16¼	Baxter	.50	2.8	14	15358	18	17⅝	17⅞	-⅜
40	37⅛	Bax pfA	3.67e	9.4		78	38⅞	38⅜	38⅞	+⅛
63	56¾	Bax pfB	3.50	5.9		141	59⅞	59	59⅛	-½
19¼	10⅛	BayFin				23	11½	11⅛	11½	-⅛
26	20¾	BaySIG	1.68	6.6	10	35	25⅞	25½	25½	-⅜
15⅛	10⅞	BearSt	.50	3.8	8	2105	13⅜	12⅞	13⅛	+⅜
41⅞	26⅛	Bearing	.80	2.1	13	185	37⅞	37½	37⅛	+⅛
19	17⅛	Bcklns n				478	18⅜	18	18⅛	+⅜
62⅛	46½	BectDk	1	1.9	16	1376	52¼	52⅛	52⅜	+⅝
40	21	BeldnH	.52	1.8	12	96	29⅝	29⅛	29⅝	
74½	63⅜	BellAtl	4.08	5.8	11	2881	70⅞	70¼	70⅞	+⅜
18⅛	12⅛	BellInd	.28	1.8	15	44	16⅜	15½	15½	+⅛
43⅞	35¾	BellSo	2.36	6.0	11	2290	39⅝	39¼	39⅜	-⅛
32	22⅞	BeloAH	.44	1.9	29	52	23¼	23⅛	23⅝	+⅛
25½	10	Bemis s	.44	1.8	17	455	24	23⅞	24	+⅜
53¼	34¼	BenfCp	2	4.4	9	621	45½	44⅞	45¼	+½
33½	23	Benf pf	2.50	11.		z370	23¾	23½	23½	-½
4⅝	3	BengtB	.19r	5.1	5	187	3⅞	3⅝	3⅝	-⅛
4½	8-16	vjBerkey				78	⅜	11-32	⅜	
5050	2735	BerkHa			17	z130	4725	4725	4725	-25
15⅞	6⅝	BestBy			40	160	8⅞	8⅛	8⅞	+⅛
25½	15½	BethSt			6	4990	24⅛	23½	24⅛	+⅜
55¼	40¾	BethSt pf	5	9.6		40	52	51⅞	52	+⅜
27½	20⅞	BthS pf	62.50	9.8		87	25½	25⅜	25½	+⅛
7⅞	3¾	Bevrly				1574	6⅞	6⅝	6⅝	-⅛
30⅜	8¾	BevIP	1.98e	15.	8	210	13⅛	13	13⅛	-⅛
21⅞	7½	Biocft			18	103	9⅞	9¼	9¼	-⅛
25⅛	12⅞	BlrSd s	.30	1.2	9	939	u25⅛	24⅞	25	+⅛
24¼	17⅛	BlackD	.40	1.8	14	1322	22⅞	22½	22½	+⅛
29¼	22½	BlkHCp	1.40	5.5	11	45	25½	25⅛	25½	
10⅛	9⅛	Blkstn	n1.10	11.		496	9⅝	9⅜	9⅝	+⅛
10⅛	9⅝	BlksTT	n.08e	.8		1197	9⅛	9⅝	9⅛	
34⅜	22⅞	BlckHR	1.04	3.6	17	537	29	28⅝	28⅝	+⅜
22⅜	14⅝	BlueAr	n.14e	.8		1865	17⅛	16⅞	16⅞	+1
6½	5¼	BlueChp	.19e	3.2		158	6⅛	6	6	
67⅞	39⅛	Boeing	1.60	2.7	16	7786	60½	60	60	-⅛
50	36	BoiseC	1.40	3.5	7	604	41½	40¾	40½	-⅛
19⅛	9⅝	BoltBer	.06	.6	11	157	10	9⅞	9⅞	
11⅛	6¾	Bond n				49	7⅛	7⅛	7⅛	+⅛
4½	1⅛	Bond wt				40	1⅝	1⅜	1⅝	+⅛
20⅛	10⅞	BordC pr	2.48e	13.		632	18¾	18½	18⅝	-⅛
18⅝	17	BordCh n				704	18⅝	18⅛	18⅛	-⅛
61⅛	47⅛	Borden	1.56	2.7	14	782	57¼	57	57¼	-⅛
26½	7¾	Bormns				524	26½	26⅛	26½	
15¾	12¾	BCelts	1.60e	12.	9	36	13⅞	13⅝	13⅞	+⅛
18¾	12½	BostEd	1.82	11.	10	1401	16⅜	16⅛	16⅛	-⅛
92	82	BosE pf	8.88	11.		z420	83¾	82¼	82¼	-⅛
15⅝	13¾	BosE pr	1.46	10.		15	14⅛	14⅛	14⅛	-⅛
36⅞	25¾	Bowatr	1.12	4.0	7	1579	28⅞	28	28⅛	-⅛
14⅛	7⅛	Brazil	n.69e	8.8		86	8	7⅞	8	+⅛

Continued on Page 37

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– X – Y – Z –								
63	59⅞	Xerox	3	5.0	10	2703	59⅞	59	59⅝	+ ⅝
50⅞	46	Xerox pf4.13		8.8		3	47	47	47	– ½
36⅝	24¼	XTRA	.72	2.0	13	9	36¼	35⅞	35⅞	– ⅛
3⅞	2	Zapata				663	2¼	2⅛	2⅛	
27⅛	14½	Zayre	.40	1.6	167	2136	25⅛	25	25	– ⅛
15½	9½	Zemex	.40	3.1	16	10	13	13	13	+ ⅛
30	13½	ZenithE				1704	19⅛	18⅞	19	+ ⅛
10⅞	8⅞	Zenin n .59e		6.6		259	9⅛	9	9	– ⅛
3¼	1	vjZenLb				288	1⅝	1⅝	1⅝	
21⅝	14½	ZeniNt	.80b	4.5	8	86	17⅞	17	17⅞	+ ⅝
18½	13	Zero	.44	2.4	15	112	18⅛	17⅞	18	
29	18⅞	Zurnin	.68	2.5	16	89	27⅝	27¼	27⅝	+ ⅛
11⅛	8⅞	Zweig	1.04	10.		232	10⅛	10⅛	10⅛	
10⅛	9	ZweigT n.16e		1.7		495	9⅛	9⅛	9⅛	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4pm prices January 9

OVER-THE-COUNTER

Nasdaq national market, 3pm prices January 9

Stock	Div.	Sales 100s	High	Low	Last	Chng
Wolohn	.28	10 43	19⅝	19⅜	19⅝	+ ¼
WolvEx		339	7½	7⅛	7¼	– ⅛
Worthg	.44	15 678	23¼	23	23	
Wyman	.60	15 36	15½	15¼	15¼	– ¼
– X – Y – Z –						
XL Dta		19 615	u28⅛	26¾	28⅛	+ ⅞
XOMA		590	13½	13	13	
X-Rite s	.06	14 x58	9	8½	9	+ ¼
Xicor		12 289	7⅝	7½	7½	
Xyvan		331	5	4⅞	4⅞	
YelowF	.70	20 2664	32½	32⅛	32⅜	+ ⅛
ZionUt	1.44	63	22	21	21	– 1

AMERICA

Focus turns to resistance levels as Dow edges up

Wall Street

THE KEY level of 2,200 on the Dow Jones Industrial Average *figured large in the equity market* yesterday with the index finally failing to surmount this level, *writes Janet Bush in New York.*

The Dow closed 5.17 points higher at 2,199.46 on moderately active volume of 163m shares. For the third successive session, the index has now closed at new post-crash closing highs.

The index hovered just above Friday's post-crash closing high for most of the day but below the 2,200 market. It then broke above this level and buying seemed to become slightly more confident. However, the index slipped back in late afternoon.

The market has had a fairly confident run since the beginning of the year but as the Dow records daily post-crash highs, progress becomes more difficult.

There is some confidence in the market that further highs can be scored in the short-term although there are more psychologically important resistance levels on the way up.

Two of these levels concern the "gap" which opened up between October 16 and the crash on October 19 when no trades were actually done. Some analysts believe this gap is between the intra-day low of 2,207.73 on October 16 and the low on the day of the crash. The "gap" would be closed, therefore, only a few points from where the Dow now stands and constitute an important benchmark for the recovery of the market since the crash.

However, other analysts measure the gap from the closing on October 16 at 2,246, meaning the Dow has some way *further to go* before this milestone is reached.

Another level which is receiving attention is 2,230, which would represent a 50 per cent retracement from the low after the crash and all-time highs in August, 1987.

Concerns about higher interest rates do not appear to be affecting the market in a direct way at the moment. There seems to be a rough consensus that the US Federal Reserve has snugged monetary policy through a firmer Fed Funds rate which many believe is now being targeted at just above 9 per cent.

However, there has been no dramatic move on interest rates such as a discount rate rise, which many market participants had expected before Christmas. Prospects for a further tightening seem clouded at the moment. Although the latest set of economic figures have provided evidence of strong growth during December, there has been no obvious or dramatic rise in inflation.

Meanwhile, the dollar has shown considerable strength recently, partly buoyed by high short-term US interest rates which has underpinned US securities markets.

This Friday sees the release of December retail sales, which are expected to be strong, and producer prices, which are again to show modest growth of 0.3 per cent to 0.4 per cent.

Yesterday was quite a lively day for corporate news. Polaroid slumped $1⅞ to $36⅝ after a challenge in court from Shamrock Holdings of its employee stock ownership plan failed. Shamrock's hostile $42 a share offer for Polaroid was contingent on the ESOP being invalidated.

Westinghouse dipped $⅛ to $53¼ after the Justice Department said it would sue to block two proposed joint ventures between it and Asea Brown Boveri of Switzerland unless various anti-competitive aspects could be put right.

Canada

BUYING IN energy issues drove Toronto share prices higher in moderate trading, offsetting a decline among golds. The price of crude oil rose 19 cents to US$17.74 per barrel on the February futures contract on the New York Mercantile Exchange.

The composite index, up about one point in earlier trading, gained 25.95 points to close at 3,445.13 as advances outnumbered declines by 381 to 360 on volume of 25.7m shares.

SOUTH AFRICA

A SHARPLY weaker financial rand and a continued shortage of scrip helped Johannesburg share prices to a firmerclose.

Among golds, Western Deep rose R3 to R107, while Southvaal ended R1 up at R111.50. Vaal Reefs was down R1 at R263. In diamonds, De Beers firmed 20 cents to R28.75.

Among industrial leaders Barlow Rand closed 50 cents up at R28.75.

ASIA PACIFIC

Nikkei confounds by surging 468 to record

Tokyo

IN STARK contrast to the spirit of mourning and restraint expected on the first day of trading after the death of Emperor Hirohito, the market yesterday bubbled with enthusiasm, pushing the Nikkei average up by an astounding 468.85 points to close at a record high of 30,678.39, *writes Michiyo Nakamoto in Tokyo.*

Few had expected investors to be quite as blatantly relieved to see that things were returning to normal so soon after the death of the Emperor on Saturday morning. Brokers had let it be known that they would refrain from actively pushing the market in respect for the national grief. It was suggested that the only active buying might be by foreigners, and perhaps some desperate trust fund managers, who were said to be likely to step up purchases should prices fall substantially.

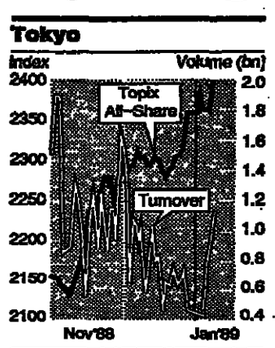
But the highly positive mood, that lasted throughout the day, was already evident soon after the opening when the Nikkei average added 108.37 points in the first 15 minutes of trading.

The index closed at its day's high, while the low of the day was at 30,223.35. Advances led declines by 701 to 231 while 135 issues were unchanged. To add to the surprise at a higher index when activities throughout the country are being toned down, turnover at 1.17bn shares showed greater confidence in the market than was reflected in the 890m traded on Friday. The Topix index of all listed shares also closed a strong 34.90 points higher at 2,401.81, while in London, Japanese shares continued higher, with the ISE/Nikkei 50 index up 5.66 at 1,974.73.

Most agreed that the bullish mood reflected an extremely optimistic view of the short-term prospects for the Japanese market. The market's fundamentals have been good and the US Federal Reserve has not raised the official discount rate despite an improvement in the US unemployment rate for December, thus lessening the possibility of an interest rate panic for a while.

A substantial amount of cash from newly established investment trust funds is said to be available, making for a favourable balance of supply and demand at a time when financial firms will be stepping up their activity to maximise their profits before the end of their fiscal year in March.

Issues related to the defence theme dominated interest yesterday. Besides expectations that pressure from the US on Japan to play a larger role in world defence would increase business in that sector, the start of a new era, Heisei,



meaning the achievement of peace, helped to trigger renewed interest in that theme.

Mitsubishi Heavy Industries, the largest defence contractor, topped the most actives list at 139.0m shares and rose Y50 to Y1,120. Mitsubishi Electric, which is also a leading defence contractor, followed in volume terms with 40.9m shares and rose Y60 to Y1,080.

Large capital steels also climbed in active trade. Kawasaki Steel, the third most active issue with 37.1m shares, gained Y51 to Y1,000. Nippon Steel advanced Y41 to Y912.

Share prices rose on a wide front in Osaka, pushing the OSE average up 396.81 to 28,625.60. Volume at 145m was higher than the 107m traded on Friday. While Kawasaki Steel added Y65 to Y1,010, Nintendo, the maker of video computer games, rose Y700 to Y10,700.

Roundup

TURNOVER and share prices climbed in most Asia Pacific exchanges, helped by the strength of the Japanese market.

HONG KONG jumped to a post-crash high as investors continued to snap up property stocks in the belief that a land auction later this month will signal higher property prices.

The Hang Seng index ended 25.62 higher at 2,792.27 after some profit-taking, beating the previous post-crash high of 2,772.52 reached last July 12. Turnover climbed to HK$1.74bn from Friday's HK$1.42bn.

Sun Hung Kai Properties added 30 cents to HK$13.50 while New World and Hongkong Land each found 10 cents to HK$13.90 and HK$9.65 respectively. Cheung Kong put on 5 cents to HK$8.70.

China Entertainment was the session's most active stock after Friday's news that it is to place 100m existing shares at HK$1.03 each. The stock fell 3 cents to HK$1.04.

AUSTRALIA was buoyed by the better-than-expected response in Tokyo to the Emperor's death, and ended higher in the heaviest turnover seen this year. The All Ordinaries index rose 11 to 1,439.3.

Turnover reached A$216m in value, of which about a third was in ANZ Bank. Investors were exercising their options as the stock went ex a 22 cent dividend, and ANZ closed off 22 cents at A$5.34.

News Corp climbed 22 cents to A$9.90 after winning the takeover battle for William Collins, the UK publisher. It denied a local press report that it planned to sell its Fox Film Corp.

SINGAPORE opened strongly and continued climbing throughout the session. The Straits Times industrial index rose 29.65, or about 3 per cent, to 1,072.99, its highest since last August 25.

Turnover continued upward, rising to 55.4m shares from Friday's 45.7m.

DBS Land was the most heavily traded issue, rising 5 cents S$1.36 on turnover of 2.4m shares.

SOUTH KOREA continued to consolidate, with only paper stocks bucking the downward trend on speculation that they might benefit from the reprinting of documents required in Tokyo on the death of Emperor Hirohito. The composite stock index fell 17.87 to 901.64.

TAIWAN paper issues were also strong, helping the market higher for the third consecutive session. The weighted index rose 174.94 to 5,812.48.

FAZ fights back in West Germany's indices battle

By Haig Simonian in Frankfurt

AFTER a lengthy pause in West Germany's "battle of the indices" during which the new DAX real time equity index has increasingly established itself and the Commerzbank index has switched from Düsseldorf to Frankfurt prices, the long-established Frankfurter Allgemeine Zeitung (FAZ) index has at last fired back.

Since last week, the FAZ index has been brushed up with 24 new constituents. The total number of shares listed remains 100, meaning that 24 shares have been displaced.

Many of the newcomers represent the new breed of entrepreneurially-minded German companies, often with a strong family link. Schneider Rundfunk, the consumer electronics group, Hugo Boss, the fashion producer, and Deckel, the machine tool company, are all concerns in which family ownership plays an important part.

Indeed, one of the first reactions to the changes is surprise that some of the newcomers were not in the index already, though admittedly certain additions, like Linotype, the printing and electronics company, are new to the market.

However, the timing seems inopportune in some cases. Porsche's first time inclusion coincides with a period of severe difficulties for German luxury car makers in the key US market. And Nixdorf, another first-timer, is facing stormy weather in computers. Nor does sports shoe and clothing manufacturer Puma now blaze quite the trail it did on flotation.

The FAZ attributes the facelift to a number of factors, including takeovers, changes in the legal structure of previous constituents or control by a majority shareholder.

But the main motive has been to provide a better picture of the market – and this explains the significant shift in the index to the service sector. Insurance is the biggest winner, with the sector's weighting jumping to 12.68 per cent of the index from a humble 2.93 per cent before. In comes Munich Re for the first time, with a 2.81 per cent weighting, while Allianz is bumped up to 8.58 per cent.

Conversely, both utilities and steels have been scaled down, from 11.76 per cent to 6.67 per cent and from 8.28 per cent to 3.88 per cent respectively. The share of the big three chemical conglomerates has also been boiled down to 16.39 per cent from 21.23 per cent previously.

Suggestions that the reshuffle has influenced the market in the past week received a mixed response in Frankfurt. Mr Jürgen Röthig, head of sales at Baring Securities in Fankfurt, says "when you have a liquidity rally, you have to try and find some reason why it happens."

He attributes events like the rise in Nixdorf's price to misplaced rumours about mystery buyers rather than to any index-related activity. "Otherwise, we should have seen names like Boss and Schneider Rundfunk, where the market is even narrower, go through the roof," he reckons.

Indeed many observers think reaction to the revised index has been exaggerated. Sceptics attribute the belated reshuffle primarily to the heightened competition between indices in Germany.

"Some of the names in the FAZ index were way out of date", says one trader.

● Amsterdam introduced a new index at the start of this year, the CBS all-share, which is designed to replace the long-established ANP-CBS index from the end of April, *writes Alison Maitland.*

The new index, base end 1983=100, is weighted by market capitalisation and calculated once a day on closing prices. It is aimed at long-term investors, while the existing CBS tendency index gives a short-term view of the market, according to the Central Bureau of Statistics, which compiles and publishes the indices.

The existing tendency index, which represents 34 leading listed companies and is calculated seven times a day, has been rebased forward a year as usual so that end 1987=100. This means the index began this year at 157.1 on the new basis after ending 1988 at 107.0 on the old basis.

The CBS tendency index was launched in 1986 in order to supersede the ANP-CBS, but investors continued to use the latter for long-term performance because it tracked movements back to 1970. The ANP-CBS will now disappear at the end of April.

EUROPE

LVMH and Eurotunnel still dominate Paris

THE WEEK in Europe started with further sharp price movements in Paris and record highs for Stockholm and Brussels, *writes Our Markets Staff.*

PARIS again saw healthy volumes – although below Friday's record turnover – with Eurotunnel and LVMH once more dominating trade.

LVMH fell FFr394, or 9.6 per cent, to FFr3,706, as last week's big buyer, widely believed to be Financière Agache, was conspicuous by its absence. The group is thought now to have a minority blocking stake, with voting rights representing 33⅓ per cent of LVMH.

Eurotunnel was extremely busy in Paris, rising FFr4.65, or 7.5 per cent, to FFr66.30. Foods group BSN, which went ex a 10-for-one share split, added FFr1 to FFr660 having earlier been as high as FFr681.

Volumes were estimated at FFr3.5-FFr4bn, after soaring to an all-time high of FFr6.4bn on Friday. The opening CAC General index rose 4.5 to 438 but the OMF 50 index lost 4.11 to 454.17, pulled down by the fall in LVMH.

STOCKHOLM rose sharply on an absence of sellers and optimism about today's Budget following leaks about its contents. The Affärsvärlden General index climbed 17.2 to a record high of 1,022.0 but turnover was modest at SKr320m.

With bond yields falling, institutions are keen to move cash into equities, according to one analyst.

Stocks to rise were favourites such as Atlas Copco, up SKr11 at SKr290, and SKF B free, up SKr12 at SKr417.

BRUSSELS was more active than of late, as small investors were drawn back by strong corporate results, Wall Street's advance and a bullish outlook for the Belgian economy.

The cash index climbed 32.1 to a record of 5,593.7.

Utilities were strong, mainly on foreign buying for their high yields. Ebes ended BFr130 higher at BFr4,700.

In non-ferrous metals, Asturienne kept up its progress, closing BFr18 up at BFr1,418.

There was continued speculation that parent company Société Générale de Belgique might purchase outstanding shares.

FRANKFURT started off well, heading past last week's highs, but then eased back on profit-taking to end only slightly higher. Volume was a moderate DM3.8bn.

The FAZ index showed a midsession rise of 4.23 to 568.58 and the DAX real time index closed 6.57 better at 1,366.55 after reaching a new high of 1,372.36. Selling was encouraged by a drop in the dollar against the D-Mark.

Among the features was Nixdorf, the computer stock, which rose a further DM12.40 to DM348.60. Some analysts are baffled by the rise, since the company expects 1988 profits to fall sharply. There are suggestions that Siemens and IBM may both be interested although Nixdorf has apparently denied any co-operation with either company.

Siemens rose DM3 to DM555.50 after the weekend news that an international consortium might launch a bid for Britain's GEC, which together with Siemens is attempting to take over Plessey of the UK.

ZURICH saw a continuation of last week's trend, with investors moving into participation certificates amid speculation that certain companies might convert those shares into registered at a favourable price. The Crédit Suisse index added 2.8 to 536.9.

Adia, the employment agency, stood out as one of the session's declining stocks. The company has said it is interested in acquiring some or all of Britain's Blue Arrow and investors are worried that financing a full bid would require a hefty rights issue, said one analyst. Adia bearers lost SFr100 to SFr8,900.

AMSTERDAM finished lower on profit-taking, with the CBS tendency index off 0.2 at 159.7 on trade estimated at Fl 350m.

Philips continued its strong rise with a 50-cent gain to Fl 36.30 before announcing its 1988 turnover rose to Fl 56bn from Fl 52.7bn.

Royal Dutch was pushed higher by a rise in the dollar against the guilder, adding Fl 1.70 to Fl 235.70. But Akzo fell Fl 1.70 to Fl 152.60 after damage worth several million guilders caused by a fire at its Rotterdam chloride plant. There are also suggestions some funds may be cutting back in Akzo in preparation for the partial flotation next month of fellow chemicals group DSM.

Hoogovens dropped Fl 3.20 to Fl 74.60 following its bullish forecast for 1988 profits on Friday. Some analysts said the news was already in the price and yesterday's fall was profit-taking.

MILAN had another quiet day. The Comit index edged up 0.24 to 599.02 and turnover was estimated by one house at no more than L150bn.

Banca Commerciale Italiana rose L70 to L3,630 following a broker's recommendation.

MADRID crept higher in continued thin trading with the general index adding 0.38 to 274.32 amid concern over domestic interest rates.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY JANUARY 9 1989					FRIDAY JANUARY 6 1989			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988/89 High	1988/89 Low	Year ago (approx)
Australia (90)	146.06	+0.9	122.79	112.59	4.77	144.77	120.58	111.84	152.31	91.16	98.25
Austria (18)	94.62	−0.6	79.55	89.62	2.75	95.22	79.31	89.58	100.00	83.72	94.54
Belgium (63)	131.76	−0.2	110.77	125.10	4.01	132.05	109.98	124.39	139.89	99.14	101.54
Canada (126)	128.53	+0.8	108.06	111.41	3.27	127.51	106.20	110.29	128.91	107.06	111.78
Denmark (39)	157.93	−0.6	132.77	151.60	2.00	158.95	132.39	151.39	161.60	111.42	114.38
Finland (26)	126.35	−0.8	106.22	112.35	1.55	127.34	106.06	112.72	139.83	106.78	111.00
France (131)	116.22	−1.1	97.71	113.58	2.84	117.51	97.87	114.05	117.51	72.77	83.17
West Germany (102)	88.01	−0.4	73.99	83.64	2.26	88.33	73.57	83.30	90.40	67.78	73.14
Hong Kong (46)	116.74	+1.1	98.14	117.03	4.22	115.49	96.20	115.78	116.74	84.90	91.80
Ireland (18)	127.19	−0.3	106.93	122.37	4.12	127.61	106.28	121.86	144.25	104.60	109.21
Italy (98)	84.22	−0.8	70.80	84.30	2.38	84.94	70.75	84.57	86.88	62.99	75.57
Japan (456)	192.92	+1.7	162.19	154.20	0.49	189.75	158.05	151.91	193.67	133.61	139.28
Malaysia (36)	147.21	+1.9	123.76	154.86	2.75	144.49	120.35	151.31	154.17	107.83	114.61
Mexico (13)	160.58	+0.5	135.00	401.88	1.27	159.84	133.13	399.23	182.24	90.07	96.30
Netherland (38)	111.85	−0.4	94.03	105.34	4.68	112.29	93.53	104.93	113.49	95.23	98.04
New Zealand (25)	68.93	+0.7	57.95	57.66	6.79	68.46	57.02	57.28	84.05	63.32	76.91
Norway (26)	147.93	+0.7	124.36	134.02	2.03	146.95	122.40	132.34	147.93	98.55	107.64
Singapore (26)	130.75	+3.5	109.92	117.04	2.28	126.31	105.21	112.92	135.89	97.99	99.23
South Africa (60)	115.35	−1.4	96.97	100.86	4.58	116.95	97.41	100.26	139.07	98.26	132.64
Spain (42)	146.37	+1.0	123.05	126.91	3.22	144.96	120.74	126.07	164.47	130.73	131.65
Sweden (35)	144.57	+1.4	121.54	133.87	2.14	142.55	118.74	131.32	144.97	96.92	98.49
Switzerland (57)	78.02	−0.2	65.59	75.31	2.25	78.16	65.10	74.99	86.75	74.13	79.23
United Kingdom (317)	134.70	+0.1	113.24	113.24	4.77	134.52	112.05	112.05	141.51	120.66	132.04
USA (572)	114.42	+0.1	96.19	114.42	3.64	114.29	95.19	114.29	115.55	99.19	100.85
Europe (1010)	114.21	−0.2	96.02	102.83	3.66	114.42	95.30	102.23	116.61	97.01	102.50
Nordic (126)	140.26	+0.4	117.92	126.62	2.02	139.71	116.37	125.35	–	–	–
Pacific Basin (679)	187.87	+1.6	157.94	150.85	0.70	184.84	153.96	148.64	188.43	130.81	135.83
Euro-Pacific (1689)	158.37	+1.1	133.14	131.82	1.57	156.65	130.48	130.24	159.28	120.36	122.54
North America (698)	115.17	+0.2	96.83	114.26	3.62	115.00	95.78	114.07	116.07	99.78	101.43
Europe Ex. UK (693)	101.17	−0.4	85.05	96.63	2.81	102.59	84.61	96.41	102.91	80.27	84.20
Pacific Ex. Japan (223)	127.51	+1.1	107.20	108.52	4.51	126.11	105.04	107.43	128.27	87.51	94.23
World Ex. US (1888)	156.91	+1.1	131.91	130.96	1.64	155.25	129.31	129.40	157.66	120.26	122.27
World Ex. UK (2143)	141.18	+0.8	118.69	126.65	2.00	140.00	116.60	125.57	141.18	111.77	112.20
World Ex. So. Af. (2400)	140.74	+0.8	118.32	125.52	2.23	139.63	116.30	124.43	140.74	113.26	113.84
World Ex. Japan (2004)	115.38	+0.1	97.00	110.13	3.68	115.31	96.04	109.73	115.54	100.00	101.84
The World Index (2460)	140.58	+0.8	118.19	125.36	2.24	139.49	116.18	124.27	140.58	113.37	113.96

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.62 (US $ Index), 114.42 (Pound Sterling) and 123.18 (Local).